



## INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED

Our Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Assistant Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed by the members in Extra-Ordinary General Meeting held on August 30, 2017 and the name of our Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901. For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on page 157 of this Draft Red Herring Prospectus.

**Registered Office:** E- 202, 2nd floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai-400104, Maharashtra, India  
**Tel. No.:** +91 022-6739 2121/2678 1173; **Fax No.:** NA; **Email:** [investors@innovative.in](mailto:investors@innovative.in) **Website:** [www.innovative.in](http://www.innovative.in)  
**Contact Person:** Bhagyashree Goyal, Company Secretary and Compliance Officer

### PROMOTERS OF OUR COMPANY: MAQSOOD SHAIKH AND TAZYEEEN SHAIKH

THE ISSUE	
<p><b>INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF UPTO 30,66,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] LAKHS (THE “ISSUE”), OF WHICH UPTO [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HERINAFTER REFERED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</b></p>	
<p><b>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITIONS OF THE REGIONAL NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE INDIA LIMITED (“BSE SME”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.</b></p>	
<p>In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).</p>	
<p>In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 292 of this Draft Red Herring Prospectus. A copy will be delivered for registration to the Registrar as required under Section 32 of the Companies Act, 2013.</p>	
<p><b>THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME (“SEBI (ICDR) REGULATIONS”). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED ‘ISSUE INFORMATION’ BEGINNING ON PAGE 282 OF THIS DRAFT RED HERRING PROSPECTUS.</b></p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in “Basis for Issue Price” on page 113 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 or regarding the price at which the Equity Shares will be traded after listing</p>	
GENERAL RISKS	
<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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 20 of this Draft Red Herring Prospectus.</p>	
COMPANY’S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares of our Company issued through this Draft Red Herring Prospectus are proposed to be listed on the BSE SME Platform of BSE Limited (“BSE”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an In-Principle approval letter dated [●] from BSE for using its name in the Issue document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, SME Platform of the BSE shall be the Designated Stock Exchange.</p>	
BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p><b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b>                      406-408, Keshava Premises, Behind Family Court,                      Bandra Kurla Complex, Bandra (East)                      Mumbai- 400051, Maharashtra, India                      Tel: +91-22 6194 6700                      Fax: +91-22 2659 8690                      Website: <a href="http://www.pantomathgroup.com">www.pantomathgroup.com</a>                      Email: <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a>                      Investor Grievance Id: <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a>                      Contact Person: Mr. Unmesh Zagade                      SEBI Registration No: INM000012110</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>                      1st Floor, Bharat Tin Works Building,                      Opp. Vasant Oasis, Makwana Road, Marol,                      Andheri (East), Mumbai – 400059, Maharashtra, India.                      Tel: +91 22 62638200                      Fax: +91 22 62638299                      Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>                      Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>                      Investor Grievance Id: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>                      Contact Person: Babu Raphael                      SEBI Registration Number: INR000001385</p>
BID/ISSUE PROGRAMME	
<b>BID/ISSUE OPENS ON: [●]</b>	<b>BID/ISSUE CLOSES ON: [●]</b>

## TABLE OF CONTENTS

<b>SECTION I – GENERAL</b> .....	<b>3</b>
DEFINITIONS AND ABBREVIATIONS .....	3
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	17
FORWARD LOOKING STATEMENTS .....	19
<b>SECTION II – RISK FACTORS</b> .....	<b>20</b>
<b>SECTION III – INTRODUCTION</b> .....	<b>48</b>
SUMMARY OF INDUSTRY .....	48
SUMMARY OF BUSINESS .....	59
SUMMARY OF FINANCIAL STATEMENTS .....	70
THE ISSUE .....	74
GENERAL INFORMATION .....	76
CAPITAL STRUCTURE .....	87
OBJECTS OF THE ISSUE .....	106
<b>BASIS FOR ISSUE PRICE</b> .....	<b>113</b>
<b>STATEMENT OF POSSIBLE TAX BENEFITS</b> .....	<b>115</b>
<b>SECTION IV – ABOUT THE COMPANY</b> .....	<b>118</b>
OUR INDUSTRY .....	118
OUR BUSINESS.....	131
KEY INDUSTRY REGULATIONS AND POLICIES.....	148
OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS .....	157
OUR MANAGEMENT.....	162
OUR PROMOTER AND PROMOTER GROUP .....	177
OUR GROUP COMPANIES .....	182
RELATED PARTY TRANSACTIONS .....	183
DIVIDEND POLICY .....	184
<b>SECTION V – FINANCIAL STATEMENTS</b> .....	<b>185</b>
FINANCIAL STATEMENTS AS RE-STATED .....	185
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION .....	234
FINANCIAL INDEBTEDNESS.....	250
<b>SECTION VI – LEGAL AND OTHER INFORMATION</b> .....	<b>252</b>
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS.....	252
GOVERNMENT AND OTHER STATUTORY APPROVALS .....	261
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	271
<b>SECTION VII – ISSUE INFORMATION</b> .....	<b>282</b>
TERMS OF THE ISSUE.....	282
ISSUE STRUCUTRE .....	289
ISSUE PROCEDURE .....	292
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITITES.....	340
<b>SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	<b>343</b>
<b>SECTION IX – OTHER INFORMATION</b> .....	<b>391</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	391
DECLARATION .....	393

**The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

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

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

#### COMPANY RELATED TERMS:

Term	Description
“Innovative Ideals and Services (India) Limited” or “Innovative”, “II&SL” or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Innovative Ideals and Services (India) Limited, a Public Limited Company incorporated under the Companies Act, 1956.
AOA/ Articles/ Articles of Association	Articles of Association of Innovative Ideals & Services (India) Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 76 of this Draft Red Herring Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of Innovative Ideals and services (India) Limited, including all duly constituted Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Bhagyashree Goyal.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up unless otherwise specified in the context thereof
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 182 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE492Y01011.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being N.K. Aswani & Co., Chartered Accountants.
Promoter Group	Persons and entities constitute our promoter group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 177of this Draft Red Herring Prospectus.
Registered Office	The Registered office of our Company situated at E- 202, 2 <sup>nd</sup> floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai- 400104, Maharashtra, India.
RoC / Registrar of Companies	The Registrar of Companies, Mumbai, Maharashtra at 100, Everest, Marine Drive Mumbai- 400002, Maharashtra, India.
Statutory Auditor / Auditor	The Statutory Auditor of our Company, being ASB & Associates, Chartered Accountants.
you, your or yours	Prospective investors in this Issue.

## ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 292 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Cum Application Collecting Intermediaries	1. a SCSB with whom the bank account to be blocked, is maintained;

Term	Description
	2. a syndicate member (or sub-syndicate member), If any; 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'), if any; 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)
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made.

<b>Term</b>	<b>Description</b>
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the website of BSE Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.
ClientID	ClientIdentificationNumbermaintainedwithoneofthe Depositories inrelation to demat account.
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 Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in

Term	Description
	terms of the Draft Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time.
Designated Stock Exchange	SME Platform of BSE Limited.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 04, 2018 issued in accordance with section 32 of the Companies Act, 2013 and filed with the SME Platform of BSE Limited under SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered 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 Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI suitably modified and included in "Issue Procedure" beginning on page 292 of Draft Red Herring Prospectus.
Issue Agreement	The agreement dated June 18, 2018 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Draft Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Draft Red Herring Prospectus.



<b>Term</b>	<b>Description</b>
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. [●] lakhs, for further details please refer chapter title “ <i>Objects of the Issue</i> ” beginning on page 106 of this Draft Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of Upto 30,66,000 Equity Shares of face value Rs. 10 each fully paid of our Company for cash at a price of Rs. [●] per Equity Share (the “ <i>Issue Price</i> ”) (including a premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated June 18, 2018 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company.
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page 106 of this Draft Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs.
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual

Term	Description
	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.
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Regional newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on June 18, 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.

<b>Term</b>	<b>Description</b>
Registrar Agreement	The agreement dated June 18, 2018, entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
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.
ReservationPortion	TheportionoftheIssuerreserved for categoryof eligibleApplicants as provided under theSEBI ICDRRegulations, 2009.
Reserved Category / Categories	Categories of persons eligiblefor making application underreservationportion.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investors / RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs.2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s).
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a> .
SME Exchange	SME Platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Syndicate Agreement	Agreement dated June 18, 2018 entered into amongst the BRLMs, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate.
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated June 18, 2018 entered into between the Underwriter and our Company.

<b>Term</b>	<b>Description</b>
Working Days	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### **TECHNICAL AND INDUSTRY RELATED TERMS:**

<b>TERM</b>	<b>DESCRIPTION</b>
BRIT	Board of Radiation and Isotope Technology
CAGR	Compound Annual Growth Rate
CCTV	Closed Circuit Television
CENVAT	Central Value Added Tax
CPI	Consumer Price Index
CSO	Central Statistics Office
DARPAN	Digital Advancement of Rural Post Office for A New India
DIPP	Department of Industrial Policy and Promotion
DVR	Digital Video Recorder
EHTP	Electronic Hardware Technology Parks
EMCs	Electronic Manufacturing Clusters
GAV	Gross Value Added
GDP	Gross Domestic Product
GST	Goods And Services Tax
IBC	Insolvency And Bankruptcy Code
IBEF	India Brand Equity Foundation
IIP	Index Of Industrial Production
IMF	International Monetary Fund
MSIPS	Modified Special Incentive Package Scheme
MSP	Minimum Support Price
NBFCs	Non-Banking Financial Company
NSSF	National Small Savings Fund
NVR	Network Video Recorder
OMO	Open Market Operations
SAD	Special Additional Duty
SEIS	Services Exports from India Scheme
SEZ	Special Economic Zones
TFA	Trade Facilitation Agreement
THSC	Tourism and Hospitality Sector Skill Council
VLSI	Very Large Scale Integration
WEO	World Economic Outlook

#### **CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012

<b>Term</b>	<b>Description</b>
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year

<b>Term</b>	<b>Description</b>
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
Ft	Foot
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 162 of this Draft Red Herring Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition

<b>Term</b>	<b>Description</b>
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments 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

<b>Term</b>	<b>Description</b>
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	SME Platform of BSE Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

*Notwithstanding the following: -*

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 343 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 185 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;



- iii. In the section titled “*Risk Factors*” beginning on page 20 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 115 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 234 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus.

### CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

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

### INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Draft Red Herring Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. 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 20 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD LOOKING STATEMENTS

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

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:-

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

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20 and 234 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

## SECTION II – RISK FACTORS

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

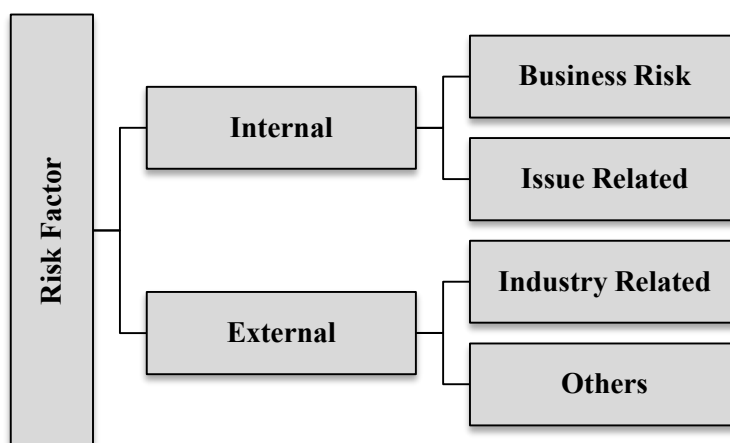
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and its applicable Companies Act Rules (as amended from time to time) and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 131, “Our Industry” beginning on page 118 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 234 respectively, of this Draft Red Herring Prospectus as well as other financial information contained herein.*

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 03 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

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



## INTERNAL RISKS FACTORS

### BUSINESS RELATED RISKS

- Our Company is currently involved in certain litigation which is pending at various stages. Currently our Company is also involved in civil proceedings and certain other tax related proceedings; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.*

Currently, our Company is also involved in civil proceedings and certain other tax related proceedings. There are no legal proceedings by or against our Directors, Promoters and Group Companies. Also, there is no assurance that in future, we, our promoters, our directors or group companies 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, Promoters, Directors, Group Company and Subsidiaries see the chapter titled “Outstanding Litigation and Material Developments” on page 252 of this Draft Red Herring Prospectus.

A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
<b>Company</b>							
By the Company	Nil	5	Nil	Nil	Nil	Nil	81.92*
Against the Company	Nil	2	5	Nil	Nil	Nil	230.26*
<b>Promoters</b>							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil

<b>Group Companies</b>							
<b>By Group Companies</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against Group Companies</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors other than promoters</b>							
<b>By the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>							
<b>By the Subsidiaries</b>	N.A.**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Against the Subsidiaries</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\*Civil cases involve interest which cannot be determined currently.

\*\*N.A. = Not Applicable

**2. Our Statutory Auditor and Peer Reviewed Auditor have included certain audit qualifications in the Statutory Audit Report and Restated Audit Report respectively.**

Our Statutory Auditor has given following adverse/qualified remarks for which adjustments wherever required have been done during the restatement of financial statements of our Company. The Audit Report from FY 2013-14 to FY 2017-18 had been qualified with the following qualifications:

<b>Particulars of Qualification</b>	<b>Year of Qualification</b>	<b>Effects given in Restated Financials by Peer Review Auditor</b>
Inventory at the end of the period/ year have been accepted by auditor as certified by management & no physical verification of the inventory have been done by him.	FY 2013-14 to FY 2015-16 & FY 2017-18	Peer Review Auditor has accepted inventory at value certified by management.
The company office premises has been mortgaged against the working capital facility used by the company's director's for commercial expediency.*	FY 2015-16	This reflects the contravention of the provision of 185 of the Companies Act, 2013. Peer Review Auditor has qualified the same in his Report and stated that in case any queries are raised by the regulatory authorities, penalty (ies) as prescribed in the law may be levied on the Company. However, Quantum of penalty depends upon discretion of the appropriate authority. Hence, Peer Review

Particulars of Qualification	Year of Qualification	Effects given in Restated Financials by Peer Review Auditor
		Auditors were unable to quantify. Therefore, no amount for the same has been disclosed in contingent liability on this account.
Transactions regarding sales and purchase between related parties have been accepted at the values they are recorded in the books.	FY 2015-16	As per the clarification received from Management, the transactions with the related parties are carried out at arm's length price. Hence, Peer Review Auditor has accepted the same at value recorded in books and Restated Report is not qualified in this regard.
The Company has not accounted for depreciation in accordance with the provisions of Companies Act, 2013 read with schedules & Rules there under.	FY 2015-16	In absence of sufficient information, Peer Review Auditors were unable to recalculate the same. Thus Peer Review Auditor has qualified the same in his Report.
The company has not recorded exchange fluctuation gain/loss in accordance with Accounting standard prescribed by ICAI.	FY 2015-16	In absence of sufficient information, Peer Review Auditors were unable to derive such gain/loss. Thus Peer Review Auditor has qualified the same in his Report.
The company has not made the provision for Gratuity, Leave Encashment and other retirement benefits as prescribed under the accounting standard AS-15 Employee Benefits.	FY 2015-16	In the "Restated Summary Statements" or "Restated Financial Statements" compliance of the AS-15 has been made and accordingly Peer Review Auditor has made the provision for the same. Hence, Restated Report is not qualified in this regard.
<p>Evidence for the following items were not made available to the Auditor :</p> <ul style="list-style-type: none"> <li>• Evidence for physical delivery of goods Purchased &amp; Sold</li> <li>• Working of the valuation of closing stock</li> <li>• Evidence of contribution to provided fund</li> <li>• Foreign exchange gain/loss on transaction settled during the year</li> <li>• Basis of commission expenses</li> <li>• Evidence of fixed deposit receipt kept with bank</li> </ul>	FY 2013-14	Peer Review Auditor has also not been provided with such evidences. Hence, Restated Report is qualified in this regard.



Particulars of Qualification	Year of Qualification	Effects given in Restated Financials by Peer Review Auditor
<ul style="list-style-type: none"> <li>• Balance payable to / receivable from related parties</li> <li>• Investment in Shree Ram Chits (Maharashtra) Limited</li> <li>• Bank balance</li> <li>• Manner of arriving at the liability of statutory dues</li> </ul>		
Amount included in Debtors of Rs. 74.20/- Lakhs are disputed, for which no security have been received & also no amount have been received during the Financials Year	FY 2017-18	As per the representation received by management, this amount is estimated to be received by the end of next financial Year i.e. 2018-19 & therefore no provision for bed debt has been made.
For transactions included in sales & purchase were not subject to internal control as opined by statutory auditor & the same were not relied upon for the purpose of Audit. Hence, auditor was not able to obtain sufficient & appropriate audit evidence regarding any misstatement that might exist in turnover recorded in Audited Financial Statement	FY 2017-18	Peer Reviewed auditor was not able to obtain sufficient audit evidence regarding accuracy of turnover recorded in Audited financial statement. Further, there are material differences between sales as per Audited Financial Statement & Sales as per GST returns. Peer review auditor has also qualified in this regard.
The Company has adopted new accounting policy in regards to written back of old trade creditors named KOCOM Co. Ltd resulting in net profit of rs. 82.71/- Lakhs	FY 2017-18	The same have been restated to the year to which it relates while preparing restated financials.

*\*Company acquired the ongoing sole proprietorship business of “M/s. Innovative Solutions” i.e. Sole Proprietorship Concern of one of our Promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017.*

Further, for the year 2014-15, due to insufficient & inadequate audit evidences, the Statutory Auditor disclaimed from giving any opinion. Hence, Peer Review Auditor has also disclaimed from giving any opinion in respect of financial statement for FY 2014-15. Other than mentioned above there were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 which would require adjustments in this Restated Financial Statements of the Company.

### **3. We rely significantly on third parties for manufacturing products of our Company.**

We rely significantly on certain third parties for manufacturing products for our Company which we sell in our Brand Names. Any decline in the quality of products manufactured or delay in delivery of products by such parties, or rise in job work charges may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their services or would not cater to demand of competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects. We are

also required to ensure that the manufacturer holds the requisite approvals for manufacturing the products. In case the manufacturer faults in obtaining or maintaining any requisite approvals, our production schedules may be adversely affected. Further we are also exposed indirectly to the risks these manufacturers faces.

**4. *Our company's clientele partly comes from Real Estate and Construction industry and therefore any downturn in these industries may adversely affect the revenue and operating profit of our company.***

The business of our Company partly comes from builders/developers where we provide integrated security and surveillance solutions with the latest state-of-the-art, high-tech electronic systems, such as Home Networking Systems, Video Door Phones, CCTV Systems, Fire Alarm Systems, Intrusion Alarm Systems, and Telecom Products. However, any adverse business conditions in this industry in future can adversely affect the revenue and operating profit of our company. Although, the Company is having small presence in the Business to Consumer (B2C) market, however, the construction industry still forms a significant clientele of the company.

**5. *Some of our products are developed for long time but are not yet commercially marketed.***

We being an innovative product development Company continuously strives to develop new products addressing the need of both B2B and B2C customer segment. Our Company has developed few products, like, ArmHer, Innoeye and Savior. These products are advanced in features and useful for the masses, however, our Company have not been able to market these products effectively and hence the commercial launch is yet to be done. Further, such products are unique in nature and hence traditional marketing activity may not be successful strategy for their marketing, our Company believe to be customer-interactive in marketing these products with a view of both promoting the products and at the same time giving the live-demo of these products to the right segment. This requires strong marketing strategy & experts in social media which will aid the Company in finding innovative ways of promotions. Our inability to market these products at the right segment and at the right time may affect our business operation adversely.

**6. *Our focus on basic features mobile phone may not be economically feasible owing to increasing demand and consumption of smart phones.***

Our Company has launched basic features mobile phones, "Inoyo", with a view to cater mass market in Tier-2 and Tier-3 cities. It being a low-end mobile, demand for such products remains high. However, India has been witnessing exponential growth of smart phones product thereby shrinking the overall market size of basic feature mobile phones. Further, competition in basic feature mobile phones is very intense with bigger players selling such phones at almost the same price, may lead to non-acceptance of our product as expected in the future. We have launched mobiles under "Inoyo" brand for it to be revenue boost to our business. Improper demand may not lead to revenue generation as per our business plan affecting our overall profitability.

**7. *Failure to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and industry may impact our business.***

The security and automation market is characterized by rapid technological changes, evolving industry standards, changing client preferences and new product and service introductions that could result in product obsolescence and short product life cycles. Our success depends on our ability to anticipate these advances, enhance our existing offerings or develop new service offerings to meet client needs, in a timely manner. We may not be successful in anticipating or responding to these advances on a timely basis. It may also happen that the services or technologies we develop may not be successful in the marketplace. We may also be unsuccessful in stimulating customer demands for new and upgraded services, or seamlessly manage to introduce new service or transitions. If we fail to address the demands of the rapidly evolving IT environment, particularly with respect to emerging technologies, and technological obsolescence, it could have a material adverse effect on our business, results of operations and financial condition.

We cannot guarantee that adjustment of our future plans as a result of our research, experience, technology evolution and market demand, during the regular course of operating our business, or change in business model because of unforeseen business opportunities will be more successful than our current business mode. A shift in our plans may result in the use of other technologies. Other technologies may in the future prove to be more efficient and / or economical to us than our current technologies. We cannot guarantee that any change in technology will become successful or be more successful than our current technology.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Modernization and technology up-gradation is essential to provide better services to customers. Although, we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations. Our failure or inability in terms of costs, efficient and timely delivery of the final products.

**8. *Continued investment in sourcing new products/technology activity is integral for growth of the Company.***

Our Company is in the business where continuous launch of new product is important. Product to be successful requires innovative features with advanced technology. To achieve this, we need to continuously invest in attending exhibitions worldwide, meeting different companies, attending seminars, etc, which requires extensive amount of investment and specialized manpower. Our Company till date have been successful in developing new and innovative products, however, it is possible the manufacturer/vendor may appoint other partners/channels thus increasing the competition & thereby reducing the margins.

**9. *Success of our developed products depends largely on the pricing and revenue model we decide.***

We cater our products to domestic market. India by nature is price sensitive market in terms of consumer goods. For any new product to be widely accepted by market and be successful, requires comfortable level of pricing. New products generally tends to be expensive which may not work efficiently in the Indian markets. Also, we plan to provide our products and services on a subscription based model, which requires customer to pay fixed monthly amount to avail the services. We may not be able to capture the market with such revenue model thereby affecting our forecast. Further, we may have to tweak our pricing strategy in accordance with the market scenario. Such changes might affect our financial operations adversely. Pricing which is not matching the customer preferences will affect the launch and commercial feasibility of the product.

**10. *Technical defects in the company's products may adversely affect company's market position and revenue from operations.***

We are providing services of System Integration for security, safety and building automation and installation of various electronics systems. Buyers expect durability of the products which are hassle-free requiring less maintenance. All the products of the Company are technically designed and contain hardware as well as software components. The Company imports its products partly from countries such as Korea, Taiwan, China, etc. There is no guarantee against malfunctions in products due to defects in the hardware or software, regardless of whether the products have been tested in accordance with company's policy. Serious defects in the Company's products could undermine the Company's market position and can lead to a loss of sales and demands for compensation from customers, which may have negative effects on the Company's operations, financial position and operating profit.

Under-performance of security equipment will adversely impact our brand image and hence our market acceptability. Any occurrence of any accident and/ or negligence and/ or oversight in the process may lead to non-compliance of quality standards as applicable. Similarly, our products have to comply with the quality standards as applicable. Any of those non-compliant products, if sold in the market, may be harmful to the health and well-being of our end users. Occurrence of any such event may expose our

Company to liabilities and claims which could adversely affect the brand image and reputation of our Company and our future growth, operations and profitability may be adversely affected.

Further, Our Company is bound by the terms and conditions as stated in the purchase order placed by our Customers. There are no specific regulations governing the supply of the same, other than the general law of contracts which is governed by the Indian Contract Act, 1872. Any claims made by these customers for defects in the products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations and financial conditions.

**11. *The nature of our business exposes us to liability, claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is often of the essence in such projects. We typically enter into contracts which provide for liquidated damages for time overruns. In the event there are delays in our current or future orders and we are unable to receive extensions from our customers, we may be exposed to liquidated damages and termination apart from entailing significant cost and time overruns. Additionally, in some contracts, in case of delay due to deficiency in services or because of defective work done by us, clients may have the right to complete the work at our risk and cost by engaging a third party.

In the event, we fail to perform under the terms of a contract, a bank guarantee may be called upon by our customer, which could adversely affect our financial condition and results of operations. We may also be subject to claims resulting from defects arising from engineering, electronics and/or information technology services provided by us within the warranty periods extended by us. Failure to effectively cover ourselves against engineering, electronics and information technology industry risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. To minimize our exposure, we selectively seek indemnities from our vendors and subcontractors in accordance with project requirements up to the time of final acceptance. Faults in system might also require repair work, which may not be foreseen. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

**12. *Our Company has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.***

Our Company has not complied with certain statutory provisions in the past including but not limited to the following:

- Non-compliance with provisions of Section 185 of Companies Act, 2013 by providing Loans to Directors i.e. related parties within the meaning of Section 2(76) of Companies Act, 2013.
- Non-compliance with the section 196(3)(a) of the Companies Act, 2013 by not passing special resolution with justification of appointing Mr. Dabir Shaikh as Whole Time Director even after attending the age of seventy years. However, as on date of the Draft Red Herring Prospectus, our company is in compliance with the applicable provisions of the Companies Act 2013.
- Company had allotted bonus shares to their existing shareholders in accordance with the relevant provisions of Companies Act, 1956/ Companies Act, 2013. However, the shares were not allotted to Mr. Dabir Shaikh who was an existing shareholder then and the portion of the shares offered to him was waived off and allotted to the other existing shareholders in accordance with the waiver letter received by the Company.
- Company had allotted shares to then minor shareholders i.e. Ibad Shaikh and Iram Shaikh in violation of applicable provisions of Companies Act, 1956.

No show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory

penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

- 13. *There have been some instances of non-filing/ delays /incorrect filings in the past with certain statutory authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.***

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. Except as mentioned in this Draft Red Herring Prospectus, till date, there has been no penalty levied on the Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

- 14. *Our pricing structures do not accurately anticipate the cost and complexity of performing our work and if we are unable to manage costs successfully, then our contracts could become unprofitable.***

We negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, we may use time-and-materials pricing. In certain instances, we enter into time-and-materials pricing arrangements, but with the inclusion of fixed-price elements for certain specified services. Our ability to improve or maintain our profitability is dependent on managing our costs successfully. Our cost management strategies include maintaining appropriate alignment between the demand for our products and services and our resource capacity, optimizing the costs of service delivery through business process digitalization and deployment of tools, and effectively leveraging our sales and marketing and general and administrative costs. We also have to manage additional costs to replace solutions or services in the event our clients are not satisfied in relation thereto and believe we have failed to properly understand their needs and develop solutions accordingly.

Our contracts could prove unprofitable for us or yield lower profit margins than anticipated, if we do not accurately estimate the resources required, costs and timing for completing projects, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe. There is a risk that we will under-price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, or wide fluctuations compared to our original estimates or delays, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside of our control, could make these contracts less profitable or unprofitable, which could adversely impact our profit margin.

- 15. *Increase in costs or a shortfall or delay in availability of the products we purchase could have a material adverse effect on our Company's sales, profitability and results of operations.***

Our Company is dependent on third party suppliers i.e. domestic as well as foreign for procuring the products which we use in setting up the security system. We procure our products from various domestic and international suppliers depending upon the price and quality. However, our Top 5 suppliers contribute significantly. The contributions of our top 5 and suppliers to our total supplies are as follows: 83.54 % of total purchase for the year ended March 31, 2017 and 66.96% of total purchase for the year ended March 31, 2018. While our company believe that we would not face difficulties in finding additional suppliers of our products, any disruption of supply of products from these suppliers or our procurement of products at terms not favourable to us can adversely affect our operations and financial cost.

Further, we are exposed to fluctuations in the prices of these products as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. The cost and availability of such products are subject

to a variety of factors and any increase in their cost and their availability at a reasonable price or no availability at all, could adversely affect our margins, sales and results of operations. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of products. If we were to experience a significant or prolonged shortage of such products from any of our suppliers, and we cannot procure the products from other sources, we would be unable to meet our execution schedules and to deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required products to us in the future. Any change in the supplying pattern of our products can adversely affect our business and profits. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our execution cycles and delivery schedules, which may result in the loss of our customers and revenues.

**16. *Our top 10 customers contribute majority of our revenues from operations for the year ended March 31, 2018 and year ended March 31, 2017. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 10 and top 5 customers contributed 84.91 % and 60.84 % of our revenues for the year ended March 31, 2018. Further, our top 10 and top 5 customers contributed 95.55 % and 85.53 % of our revenues for the year ended March 31, 2017. However, our top customers may vary from period to period depending on the demand and the complete schedule of projects and thus the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Since our business is concentrated among relatively few significant customers, and certain of our services are provided on a non-recurring, project by project basis, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including as a result of a dispute or disqualification.

Accordingly, we cannot assure you that the customers which contribute to the major part of our revenue stream will pay us the contracted amounts on time, or at all. In the event any of our significant customers fail to fulfil their respective obligations under their existing agreements with us, our business, financial condition and results of operations would be adversely affected. While we believe we have maintained good and long term relationships with our customers. However, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

**17. *Over dependence on imported materials may adversely affect our business and result of operations. Further such imports also subject us to exchange rate fluctuations which could have a material and adverse effect on our result of operations and financial condition.***

We import many of our products from foreign markets. Over dependence on imports and unavailability of such products from domestic producers may adversely affect our profitability in case the trade relations of India with any of countries from where materials are imported get strained in future or the suppliers face any sort of problems due to internal issues of producing countries. Decrease in the availability of materials which we require, or volatility in the price of these materials may significantly and adversely affect our business, financial condition and results of our operations if we are unable to estimate and accordingly adjust the prices of our product.

Further the exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Significant exchange rate fluctuations may affect our Company's business as it may alter the costs of the imports significantly. Further at present, our Company does not hedge its foreign exchange exposure. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

- 18. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. All the approvals except Udyog Aadhaar Memorandum, Employees State Insurance Registration Certificate, Goods and Service Tax Registration Certificate and Trademark registration number 3669343; are required to be transferred in the name of Innovative Ideals and Services (India) Limited from Innovative Ideals and Services (India) Private Limited pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.**

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company in the name of “Innovative Ideals and Services (India) Private Limited”. As per Companies Act, 2013, a private limited company can be converted into public limited company. After complying with the relevant procedure of Companies Act, 2013, the said private limited company was converted into a public limited company in the year 2017. Our Company has acquired two proprietorships M/s. Innovative Solutions and M/s. Concepts N Designs in September 2017 and we will have to take necessary steps for transfer of names and cancellation of certificates.

We have made an application for cancellation of ESIC of M/s. Innovative Solutions and Provisional Registration Certificate for GST of M/s. Concepts N Designs; both are currently pending; in case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business. Additionally, applications dated April 23, 2018 and June 05, 2018 are made for registration of infrastructure provider category – I (IP – I) and the same is currently pending.

Approvals like Professional Tax Enrollment Certificate and Professional Tax Registration Certificate are currently not traceable by the company. In case of delay or failure to obtain the same, it could affect our business operations. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We have applied for cancellation of certain certificates as mentioned in the “Pending Approval”. For more information, see chapter “Government and Other Statutory Approvals” on page 261 of this Draft Red Herring Prospectus.

- 19. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain. Our twelve product logos have been applied for registration and are currently pending at various stages.**

***One of our Promoters had applied for registration of patent on system for Pharma, healthcare, patient data management and methods thereof but the same was abandoned under Section 9 (1) of the Patent Act, 1970; in the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo.***

Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. Currently, we do have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the twelve products of our Company, which are currently pending. There is no guarantee that the application for registration of our logos will be accepted in favour of the Company. This may affect our ability to protect our trademark in the event of any infringement of our intellectual property. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

The material approvals, licences or permits required for our business include trade licence, tax laws, environment laws and shops and establishment licences, as applicable. Please See “Government and other Statutory Approvals” on page 261 of this Draft Red Herring Prospectus for further details on the required material approvals for the operation of our business.

**20. Our Company has negative cash flows from its operating, investing and financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from its operating, investing and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

*Amount (Rs. In lakhs)*

Particulars	For the year ended 31 <sup>st</sup> March			
	2018	2017	2016	2015
Cash Flow from / (used in) Operating Activities	(277.14)	31.10	(50.88)	(1,511.72)
Cash Flow from / (used in) Investing Activities	(297.40)	37.29	33.98	1,611.23
Cash Flow from / (used in) Financing Activities	616.91	(77.84)	(17.21)	(127.40)

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

**21. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and trade payables. Summary of our working capital position is given below:-

*Amount (Rs. In lakhs)*

Particulars	For the year ended 31 <sup>st</sup> March			
	2018	2017	2016	2015
<b>A. Current Assets</b>				
(a) Inventories	1,621.23	725.93	689.92	533.59
(b) Trade receivables	1,354.78	1,500.96	1,282.40	1,642.37
(c) Cash and cash equivalents	48.71	6.33	15.77	49.88
(d) Short-term loans and advances	261.20	8.31	0.56	12.59
<b>B. Current Liabilities</b>				
(a) Short Term Borrowings	721.06	450.97	455.41	405.07
(b) Trade payables	867.73	801.26	799.55	894.99
(c) Other current liabilities	254.72	176.22	126.98	339.53
(d) Short-term provisions	231.49	166.26	104.77	119.82
<b>Working Capital (A-B)</b>	<b>1,210.92</b>	<b>646.82</b>	<b>501.94</b>	<b>479.03</b>
<b>Trade Receivables as % of total current assets</b>	<b>41.23%</b>	<b>66.96%</b>	<b>64.49%</b>	<b>73.37%</b>



Particulars	For the year ended 31 <sup>st</sup> March			
	2018	2017	2016	2015
Trade Payables as % of total current liabilities	41.82%	50.24%	53.78%	50.87%

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables and trade payables. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” beginning on page 106 of this Draft Red Herring Prospectus.

**22. *We have certain contingent liabilities that have not been provided for in our Company’s financials which if materialised, could adversely affect our financial condition.***

Our contingent liabilities as on March 31, 2018 is as under:

(Amount Rs. In Lakhs)

Particulars	Amount Outstanding as on March 31, 2018
Bank Guarantee/LC issued by Bank	28.47
Claim against company not acknowledge as debt.	146.47
<b>Total</b>	<b>174.94</b>

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled — “*Financial Statements*” on page 185 of this Draft Red Herring Prospectus.

**23. *Our Company exports our products to countries majorly The United Arab Emirates, Oman and Hong Kong etc. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.***

Our Company derives a significant part of its revenue from export operations. Our Company exports its products to countries namely The United Arab Emirates, Oman and Hong Kong etc. For details of country wise exports made by our Company during FY 2016-17 and FY 2017-18 please refer chapter titled — Our Business beginning on page 131 of this Draft Red Herring Prospectus. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to our industry, quality standards, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

**24. *We generally do business with our customers on purchase order basis and do not enter into long-term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

- 25. *Our Company does not have any formal long-term arrangements with the suppliers and customers. Any significant variation in the supply & demand may adversely affect the operations and profitability of our Company.***

For the procurement of traded goods, we are dependent on external suppliers and we do not have any formal long-term arrangements with our suppliers which oblige them to maintain their business with us. Our ability to maintain close and satisfactory relationships with our suppliers may impact our supplies and affect our production process. We also have not entered into any long term agreements with our customers. In the event of any change in the preference or demand schedule of the customer, our customer may terminate the orders which may affect our Company's business, results of operations and revenues. Also, there is no assurance that the suppliers will continue to supply products to us and these customers will continue to purchase products from us. This could impact the financial performance of our Company and affect our financial condition.

- 26. *Our business operations are majorly concentrated in certain geographical regions especially in the State of Maharashtra and any adverse developments affecting our operations in this region could have a significant impact on our revenue and results of operations.***

As on date of this Draft Red Herring Prospectus, our Company has its registered office and warehouses situated within the state of Maharashtra, India. Further, the installation of security equipments work is also carried out at Clients situated within the state of Maharashtra only; leading to geographical concentration of the activities in the Maharashtra region. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in north-east region to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Maharashtra market may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

- 27. *We operate in a highly competitive environment and face competition in our business from organized and unorganized players, which may adversely affect our business operations and financial condition.***

The industry in which the Company operates is highly and increasingly competitive and unorganised and our results of operations and financial condition are sensitive to, and may be materially adversely affected by competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

The domestic segment which we cater to is fragmented and continues to be dominated by unorganised suppliers. At present, there are many players who compete against each other in a highly sensitive manner, leading to a very low margin. Further, the unorganised sector forms majority portion of the industry. We compete primarily on the basis of quality, customer satisfaction and marketing. Further,

some of our competitors are large domestic and international security and automation companies. Thus some of our competitors may have certain other advantages over us, including established track record, superior product offerings, larger product portfolio, technology, research and development capability and greater market penetration, which may allow our competitors to better respond to market trends. They may also have the ability to spend more aggressively on marketing and distribution initiatives and may have more flexibility to respond to changing business and economic conditions than we do.

We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and offer customer a wide variety of products at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**28. *Our Company is dependent on third party transportation for the delivery of products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation for delivery of our products. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**29. *Conflicts of interest may arise out of common business undertaken by our Company and our Promoter Group entities.***

Our Promoter Group Entity M/s Beval Designs, Proprietorship Concern of Iram Shaikh – a member of promoter group, is authorized to carry out business similar to that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and Promoter group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

**30. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

**31. *We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results***

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in our industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent persons or any material increase in labour costs as a result of the shortage of skilled labour, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

**32. *Our Company does not own the land on which our warehouses are located which we have taken on lease.***

Our Company does not own the land on which our warehouses are located. Our Company has warehouses at Panvel and Jogeshwari in the State of Maharashtra. These premises have been taken on lease from Independent third parties. If any such lease agreement under which we occupy the premises is not renewed on terms and conditions that are favorable to us, or at all, we may suffer a disruption in our operation which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our warehouses to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

For details on properties taken on lease by our Company please refer to the heading titled “Land & Property” in chapter titled “*Our Business*” beginning on page 131 of this Draft Red Herring Prospectus.

**33. *We do not have any offshore office or business place to look after our export operations.***

We sell our products to both domestic as well as international markets. A significant portion of our revenue from operations is derived from international markets. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international markets in a timely manner. The business operations of our Company are mainly handled from our registered office and warehousing units located at Maharashtra. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

**34. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees, expand our distribution network and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**35. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no

guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the 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.

**36. *Our Company’s failure to maintain the quality standards of the products and services could adversely impact our business, results of operations and financial condition.***

Our products depend on customer’s expectations and choice or demand of the customer and trends in the industry. Any failure to maintain the quality standards of our products and services may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers’ quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

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

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

**38. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “*Capital Structure*” beginning on page 87 of this Draft Red Herring Prospectus.

**39. *We have issued Equity Shares during the last 12 months at a price which may be below the issue price.***

We have issued certain Equity shares in the last twelve months at a price which may be lower than the Issue price. Details of such issuances are given in the table below:

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature of Consideration</b>	<b>Nature of allotment</b>
October 3, 2017	8,23,085	10	12	Other than Cash	Allotment towards acquisition of sole proprietorship business
October 30, 2017	16,90,417	10	12	Other than Cash	Allotment towards conversion of loan to equity
December 22, 2017	4,00,667	10	12	Other than Cash	Allotment towards conversion of loan to equity

For further details of equity shares issued, please refer to the section titled “*Capital Structure*” beginning on page no. 87 of the Draft Red Herring Prospectus.

**40. *Our insurance coverage may not be adequate.***

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Standard Fire and Special Perils Policy and Workmen compensation policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer chapter titled “*Our Business*” beginning on page 131 of this Draft Red Herring Prospectus.

**41. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 706.76 Lakhs as on March 31, 2018. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the “*Financial Indebtedness*” please refer to page 250 of this Draft Red Herring Prospectus.

**42. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 250 of the Draft Red Herring Prospectus.

Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

**43. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since, the Issue size is less than Rs.10,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**44. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 106 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use Issue Proceeds towards meeting the fund required towards working capital requirements, and general corporate purpose. We intend to deploy the Net Issue Proceeds in financial year 2018-19 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “*Objects of the Issue*” beginning on page 106 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘*Objects of the Issue*’ beginning on page 106 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2009, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide 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.

- 45. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 106 of this Draft Red Herring Prospectus.

- 46. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After completion of the Issue, our Promoters and Promoter Group will collectively own [●] % of the Equity Shares. As a result, our Promoter together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

- 47. *Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.***

As on March 31, 2018, our Company has unsecured loans amounting to Rs. 71.64 lakhs from certain individuals that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus.

- 48. *Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 184 of this Draft Red Herring Prospectus

- 50. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel (“KMP”). They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for KMP in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

- 51. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel (“KMP”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 87 and 162, respectively, of this Draft Red Herring Prospectus.



**52. *We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.***

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled “*Financial Indebtedness*” beginning on page 250 of this Draft Red Herring Prospectus.

**53. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

**54. *Negative publicity could adversely affect our revenue model and profitability.***

Our business is dependent on the trust our customers have in the quality of our products and services. Any negative publicity regarding our company, brand, or services, including those arising from a drop in quality of products from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations. Further our brand may also be affected if there is any negative publicity associated with our services.

**55. *We have in the past entered into related party transactions and may continue to do so in the future.***

Our Company has entered into various transactions with our Promoters, Directors and their Relatives. While we believe that all such transactions are conducted on arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter “*Related Party Transactions*” beginning on page 183 of the Draft Red Herring Prospectus.

**56. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although, we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are

stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

**57. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**ISSUE SPECIFIC RISKS**

**58. *There are restrictions on daily/weekly/monthly/annual 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 stock exchange in India i.e. BSE Limited, 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.

**59. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including:

- Volatility in the Indian and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Adverse media reports on Company or pertaining to the Industry in which we operate;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**60. *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 will be determined by Book Built method. This price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 113 of this Draft Red Herring 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.

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

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

**62. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

## **EXTERNAL RISK FACTORS**

### **INDUSTRY RISKS**

**63. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

### **OTHER RISKS**

**64. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.**

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter “Financial Statements as restated” beginning on page 185, the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds Rs. 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of Rs. 1,00,000/- pa. shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**66. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.**

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Industry Regulations and Policies*” on page 148 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**67. *Financial instability in Indian financial markets could adversely affect our Company’s results of operations and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**68. *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 GoI 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.

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

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

**70. *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.

**71. *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.

**72. *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.

**73. *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, tsunami, 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.

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

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

**PROMINENT NOTES**

1. Initial public offer consisting of fresh issue of upto 30,66,000 equity shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. [●] per equity share (the "issue price") (including a share premium of Rs. [●] per equity share) aggregating up to Rs. [●] lakhs (the "issue"), of which [●] equity shares of face value of Rs. 10/- each for cash at a price of Rs. [●]/- per equity share, aggregating Rs. [●] lakhs will be reserved for subscription by the market maker to the issue (the "market maker reservation portion"). The issue less market maker reservation portion i.e. issue of [●] equity shares of face value of Rs.10/- each for cash at a price of Rs. [●]/- per equity share, aggregating Rs. [●] lakhs is hereinafter referred to as the "net issue". The issue and the net issue will constitute [●] % and [●] % respectively of the fully diluted post issue paid up equity share capital of our company.
2. Investors may contact the BRLM or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 76 of this Draft Red Herring Prospectus.
3. The pre-issue net worth of our Company was Rs. 1,336.79 lakhs as of March 31, 2018 and Rs. 686.90 Lakhs for the year ended March 31, 2017. The book value of Equity Share was Rs. 16.08 as at March 31, 2018 and Rs. 22.90 as at March 31, 2017 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 185 of this Draft Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Maqsood Shaikh	32,41,758	1.67
Tazyeen Shaikh	17,27,376	Nil*

*\*There was transfer of 6,62,500 Equity Shares between period of October, 2017 to January, 2018, as against 19,89,209 Equity Shares as on October 2017, by Ms. Tazyeen Shaikh to various shareholders in various tranches, which resulted in the cost of acquisition being negative. The average cost of acquisition of equity shares for Tazyeen Shaikh before transfer of such 6,62,500 shares and after transfer of such 6,62,500 shares are provided below*

Date	No. of Shares held	Average cost of Acquisition (in Rs.)
October 30, 2017 (Before transfer of 6,62,500 shares)	19,89,209	2.02
August 31, 2018 (After transfer of 6,62,500 shares)	17,27,376	(7.34)

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “*Capital Structure*” beginning on page 87 of this Draft Red Herring Prospectus.

5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “*Related Party Transaction*” under chapter titled “*Financial Statements as restated*” beginning on page 185 of this Draft Red Herring Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 289 of this Draft Red Herring Prospectus.
7. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 87, 177, 162 and 183 respectively, of this Draft Red Herring Prospectus, none of our Promoter, Directors, Group Companies or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 87 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 113 of the Draft Red Herring Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the Stock exchange.
12. Our Company was originally incorporated as “*Innovative Ideals and Services (India) Private Limited*” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed by the members in Extra-Ordinary General Meeting held on August 30, 2017 and the name of our Company was changed to “*Innovative Ideals and Services (India) Limited*” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901. For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 157 of this Draft Red Herring Prospectus.
13. As on date of this Draft Red Herring Prospectus, Our Company does not have any Group Company.



## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

*The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.*

*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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 185 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.*

#### **ELECTRONICS MARKETS IN INDIA**

The electronics market of India is one of the largest in the world and is anticipated to reach US\$ 400 billion in 2022 from US\$ 69.6 billion in 2012. The market is projected to grow at a compound annual growth rate (CAGR) of 24.4 per cent during 2012-2020. Total production of electronics hardware goods in India is estimated to reach US\$ 104 billion by 2020. The communication and broadcasting equipment segment constituted 31 per cent, which is the highest share of total production of electronic goods in India in FY13, followed by consumer electronics at 23 per cent.

Electronic exports from India was expected to reach US\$ 8.3 billion in FY13, a CAGR of 27.9 per cent during FY07–12. Technological improvements and competitively cost effectiveness are main drivers for demand of Indian electronics products abroad. The Government of India has set up Electronic Hardware Technology Parks (EHTPs), Special Economic Zones (SEZs) and a brought about a favourable climate for foreign direct investment (FDI). It has also increased liberalisation and relaxed tariffs to promote growth in the sector. In addition, the government gave its green signal to the Modified Special Incentive Package Scheme (MSIPS) under which the central government will be offering up to US\$ 1.7 billion in benefits to the electronics sector in next five years.

The growing customer base and the increased penetration in consumer durables segment has provided enough scope for the growth of the Indian electronics sector. Also, digitisation of cable could lead to increased broadband penetration in the country and open up new avenues for companies in the electronics industry.

(Source: Electronics Market in India – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

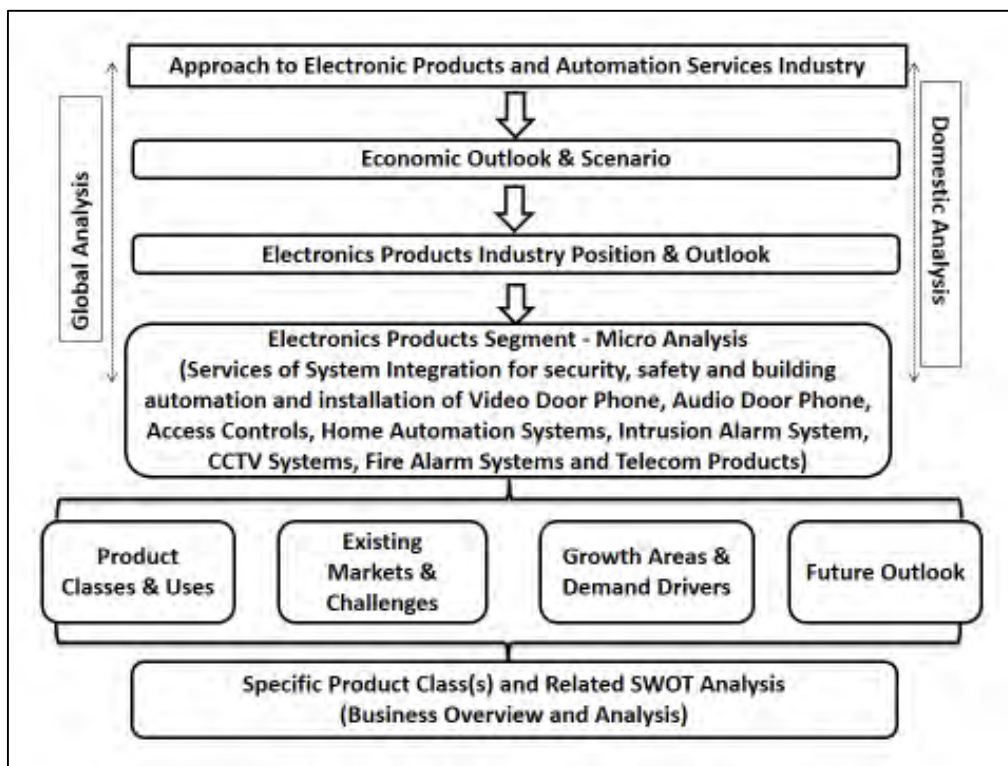
#### **APPROACH TO ELECTRONIC PRODUCTS & AUTOMATION SERVICES INDUSTRY ANALYSIS**

Analysis of Electronic Products & Automation Service Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. The Electronic Products & Automation Service Industry forms part of Service Sector at a macro level. Hence, broad picture of Service Sector should be at preface while analysing the Electronic Products & Automation Industry.

Service Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Service sector, is Electronic Products & Automation Services Industry which in turn encompasses various components such as Services of System Integration for security, safety and building automation and installation of Video Door Phone, Audio Door Phone,

Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products.

Thus, Electronic Products & Automation Service Industry should be analysed in the light of Electronics Industry at large. An appropriate view on Electronic Products & Automation Services Industry, then, calls for the overall economy outlook, performance and expectations of Service Sector, position and outlook of Electronic Products & Automation Service segment micro analysis.



*(This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context of Electronic Products and Automation Services Industry / or any other industry, may entail legal consequences)*

## GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same

time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

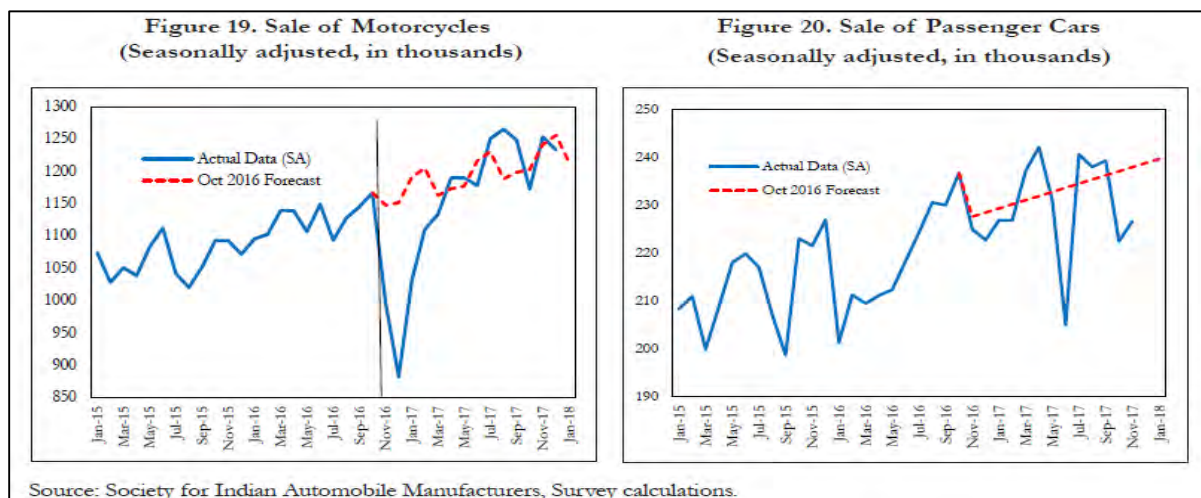
(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

### Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

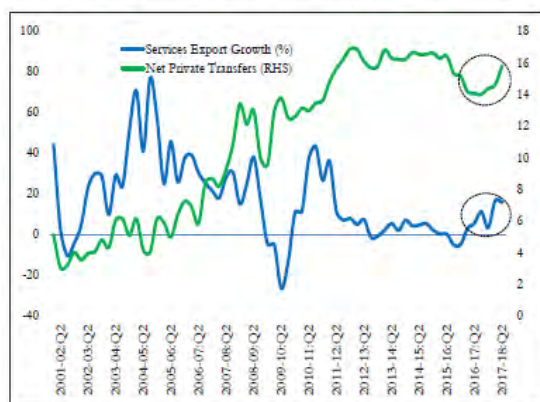
Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).



Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

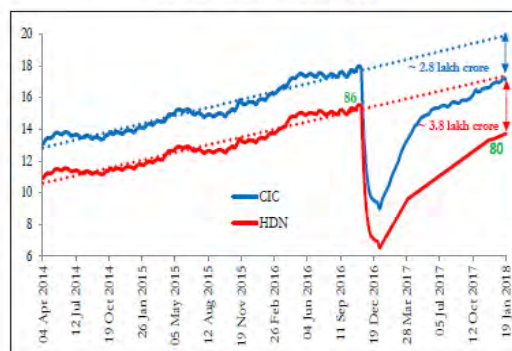
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

**Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)**



Source: RBI, Survey calculations.

**Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)**



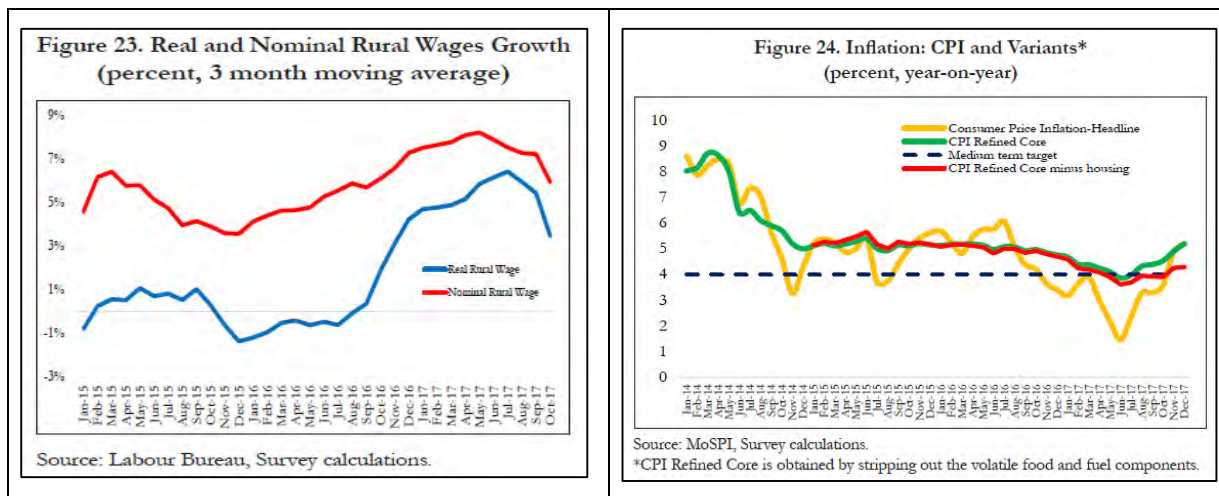
Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and Rabi, reducing the demand for labor. The acreage for kharif and Rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

### Macroeconomic indicators

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI's 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy's competitiveness.

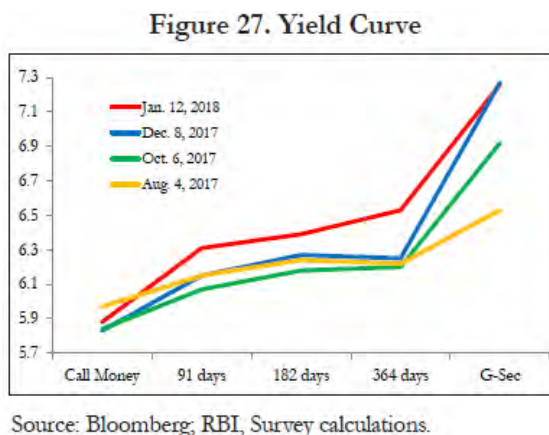
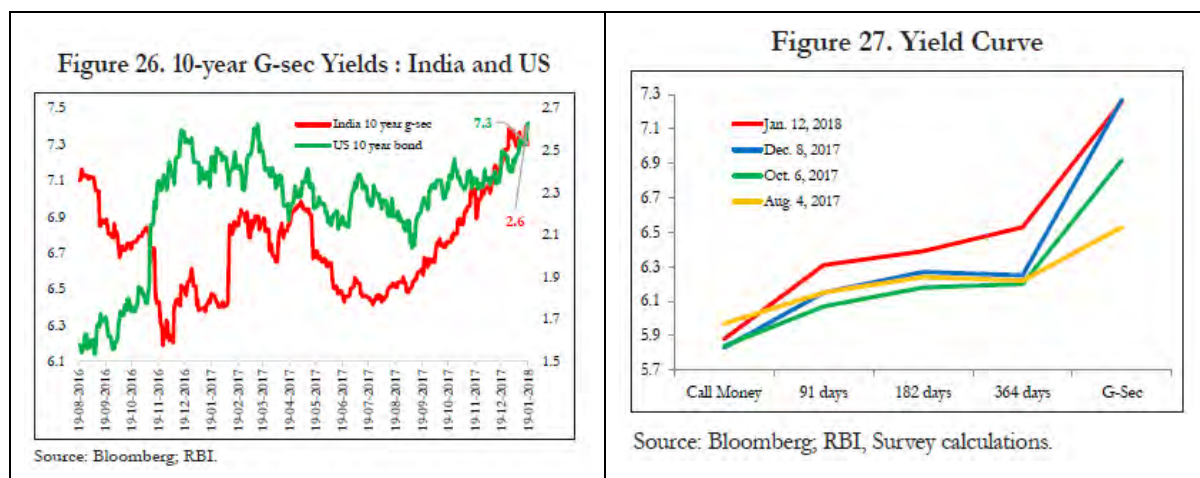
Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about \$432 billion (spot and forward) at end-December 2017, well above prudent norms.

### Fiscal developments

Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in the US. As a result, the yield curve has become unusually steep (Figure 27).

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to

the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.



GST revenue collections are surprisingly robust given that these are early days of such a disruptive change (See Box 7). Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the government’s contribution to this improvement vary depending on the methodology used. An econometric exercise yields an estimate of Rs. 40,000 Crores over the two fiscal years of 2016-17 and 2017-18.<sup>3</sup> Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-18 over the previous seven-years’ average buoyancy, yields an estimate of about Rs. 65,000 Crores (both exclude the 25,000 Crores collected under the Income Disclosure Scheme and Pradhan Mantri Garib Kalyan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between Rs. 65,000 and Rs. 90,000 Crores. These numbers imply a substantial increase in reported incomes (and hence in formalization) of about 1.5 percent to 2.3 percent of GDP.

As a result of the budget overruns, the central government’s fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be hewing closely to their targeted fiscal consolidation – in part because the centre has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Reflecting largely fiscal developments at the centre, a pause in general government fiscal consolidation relative to 2016-17 cannot be ruled out. In addition, the measured deficit for 2017-18 will include Rs. 80,000 crore (0.5 percent of GDP) in capital provided to public sector banks. But this will not affect aggregate demand, as reflected in international accounting practice which deems such operations as financing (“below-the-line”) rather than expenditure.

In the case of borrowing by the states, markets have perhaps inadequately taken into account the fact that higher market borrowings by them does not reflect higher deficits; rather about Rs. 50,000 crore or 0.3 percent of GDP of market borrowings is due to changes in the composition of financing, away from higher cost NSSF borrowings toward lower cost market borrowings. This lack of strict correspondence between the deficit and borrowings at the central and state levels (Figure 28) is discussed in greater detail in Box 8. For general government, about Rs. 40,000 Crores represents greater market borrowings that is not due to deficits—a fact which markets apparently have not internalized. Another factor contributing to the rise in bond yields has been stepped-up Open Market Operations (OMO) by the RBI. This amounted to a net sale of about Rs. 90,000 Crores during April-December 2017-18 (compared to a net redemption of Rs. 1.1 lakh Crores during the same period in 2016-17) to sterilize the impact of foreign flows, themselves induced by high interest rates.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market “sudden stall” induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.



A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **SERVICE SECTOR: OVERVIEW**

### **Introduction**

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

### **Market Size**

The services sector is the key driver of India's economic growth. The sector is estimated to contribute around 54.0 per cent of India's Gross Value Added in 2017-18 and employed 28.6 per cent of the total population. India's net services exports during reached US\$ 57.60 billion April-December 2017. Nikkei India Services Purchasing Managers Index grew from 47.80 in February 2018 to 50.30 in March 2018, supported by growth in the growth in Information & Communications and Finance & Insurance. As per Ministry of Statistics and Programme Implementation's second advance estimates of National Income 2017-18, services sector GVA is expected to grow to US\$ 1,266.10 million in FY18.

According to a report called 'The India Opportunity' by leading research firm Market Research Store, the Indian mobile services market is expected to reach \$37 billion in 2017 and grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020. Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

### **Investments**

The Indian services sector which includes financial, banking, insurance, non-financial/business, outsourcing, research and development, courier and technical test analysis, has attracted FDI equity inflows in the period April 2000-December 2017, amounting to about US\$ 64.10 billion according to the Department of Industrial Policy and Promotion (DIPP).

### **Government Initiatives**

The Government of India recognises the importance of promoting growth in services sectors and provides several incentives in wide variety of sectors such as health care, tourism, education, engineering, communications, transportation, information technology, banking, finance, management, among others. Prime Minister Narendra Modi has stated that India's priority will be to work towards trade facilitation agreement (TFA) for services, which is expected to help in the smooth movement of professionals.

### **Road Ahead**

Services sector growth is governed by both domestic and global factors. The Indian facilities management market is expected to grow at 17 per cent CAGR between 2015 and 2020 and surpass the US\$19 billion mark supported by booming real estate, retail, and hospitality sectors. The performance of trade, hotels and restaurants, and transport, storage and communication sectors are expected to improve in FY17. The financing, insurance, real estate, and business services sectors are also expected to continue their good run in FY17. The implementation of the Goods and Services Tax (GST) has created a common national market and reduced the overall tax burden on goods. It is expected to reduce costs in the long run on account of availability of GST input credit, which will result in the reduction in prices of services.

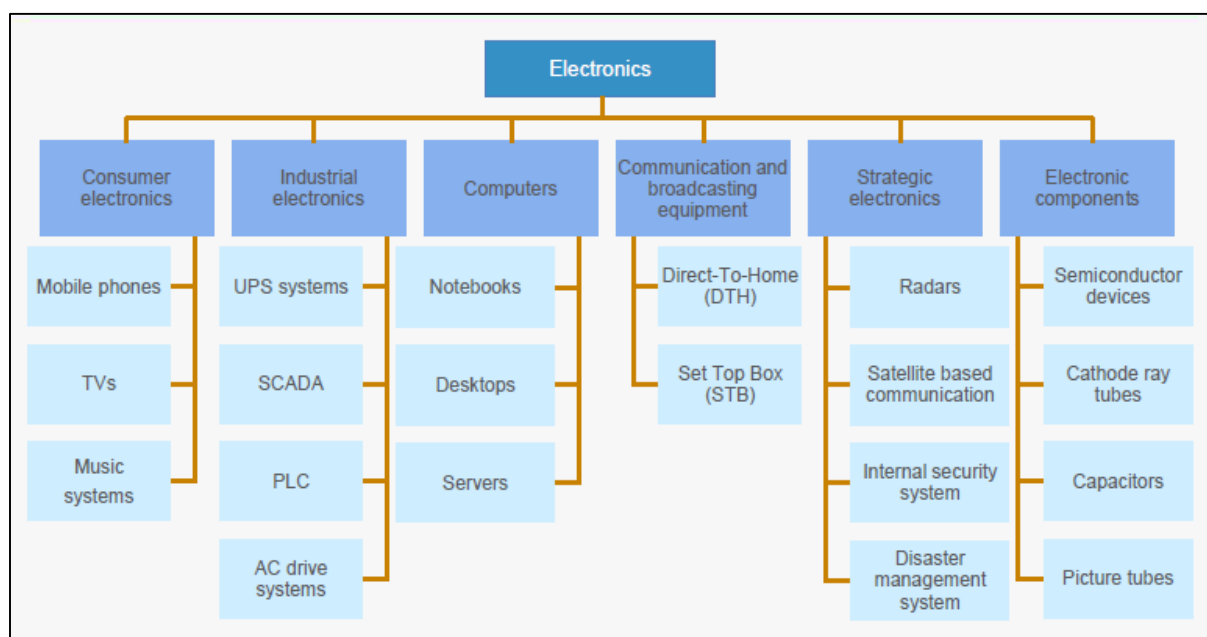
Exchange Rate Used: INR 1 = US\$ 0.015 as on March 01, 2018

References: Media Reports, Press Releases, DIPP publication, Press Information Bureau,

Note: # - according to a report by Google India and KPMG

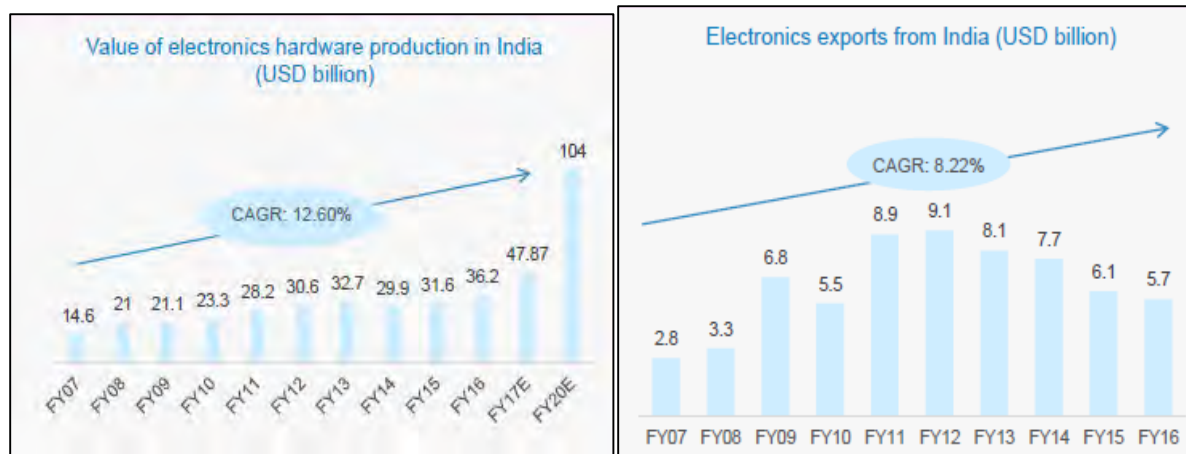
(Source: Services Sector in India – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### THE INDIAN ELECTRONICS SECTOR IS SPLIT INTO SIX PRODUCT SEGMENTS



(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### INDIAN ELECTRONICS MARKET: STATISTICAL OVERVIEW



(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **ADVANTAGE INDIA**

### **Growing demand**

Demand from households is set to accelerate given rising disposable incomes, changing lifestyles and easier access to credit. Government and corporate spending will also contribute to growth in demand.

### **Higher Investments**

Sector has attracted strong investments in the form of M&As and other FDI inflows. Companies are set to augment investments in production, distribution and R&D in the next few years. Government has received investment proposals for USD17.5 million for which they intend to provide incentives under M-SIPS scheme. Applications received before July, 2020 will be considered.

### **Attractive opportunities**

The electronics market is expected to expand at a CAGR of 41.4 per cent during 2016–20. Intended reduction in government's import bill is likely to boost domestic electronics manufacturers.

### **Policy support**

100 per cent FDI allowed in the electronics hardware manufacturing sector under the automatic route. Initiatives like Modified Special Incentive Package Scheme (M-SIPS) will provide a capex subsidy of 20 – 25 per cent. As per Make in India Initiative, Electronic Development Fund Policy has been approved to rationalise an inverted duty structure. Focus on local manufacturing and design. LED growth of the ESDM sector, the IESA provided a budgetary support of USD110 million through schemes.

(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 19 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” beginning on pages 20 and 185, respectively.

### OVERVIEW OF THE BUSINESS:

Our Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently our Company was converted into a public limited company pursuant to Special Resolution passed by the members in Extra General Meeting held on August 30, 2017 and the name of our Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901. Subsequently our Company acquired the ongoing sole proprietorship business of “M/s. Innovative Solutions” i.e. Sole Proprietorship Concern of one of our Promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017 and ongoing sole proprietorship business of “M/s. Concept N Designs” i.e. Sole Proprietorship Concern of our promoters Tazyeen Shaikh vide Business Acquisition Agreement dated September 29, 2017. Consequently the ongoing Businesses of these proprietorship concerns were merged into “Innovative Ideals and Services (India) Limited”

We started the business as a proprietorship concern for trading of varieties of security equipment by importing those from Korea. With acquisition of proprietorship concerns and incorporation as a Company, we have gradually evolved from a trading company to a security solution provider. We are providing services of System Integration for security, safety and building automation and installation of various electronics systems. We provide a wide range of services with respect to security and electronic systems, such as, Video Door Phone, Audio Door Phone, Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products. Our Company targets the requirements of residential construction industry in B2B segment.

Our Company provides Video Door Phones under its own brand names, namely, “Onyx” and “Inok”. Further, home automation solutions are provided under the brand name of “eHomes”.

Strengthening its service to B2B segment, our Company introduced Fibre to the Home (FTTH) solutions in the residential projects which is a single line connection for Voice, Direct To Home and Broadband internet services. This fibre allows multiple Internet Service Providers (ISPs) to use the single fibre cable to provide their services.

Our Company has been known for catering to B2B segment, however, further to expand our product portfolio to reach B2C segment with a view of catering to a mass market, we have developed 2 innovative products, “Savior” and “ArmHer”, addressing the need of safety of the citizens in the

country, primarily, children, women and senior citizens. Apart from this, we have also launched basic feature mobile phones which are sold under own brand name, “Inoyo”.

We are authorised distributor of FERMAX Electronica S.A.U. for their products FERMAX Audio/Video Door Entry System in the territory of India and hold valid certificate of distributorship until February 04, 2019. We have entered an agreement with Tata Sky Broadband Private Limited for provision of broadband services including installation, operation, security, maintenance and provision of access infrastructure to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune for the period of five years commencing from March 15, 2018 to March 14, 2023. We have also entered an agreement with Tata Sky Limited for provision of Direct to Home (DTH) services as an authorised distributor of Tata Sky to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune for the period of five years commencing from March 15, 2018 to March 14, 2023.

Our strength lies in not just procuring, installing and commissioning the security system but to offer strong after sales service. We are being preferred by residential developers because of our trained staff for after-sales service to promptly respond to customers, through our well trained customer care call centre. By completing more than 15 years of services, Innovative has provided its services to more than 21,800 apartments. Our Company continues to earn revenue from many of its projects through Annual Maintenance Contracts (AMC). One of our projects, Gundecha’s Valley of Flowers, which we have completed in year 2001 and continues to serve AMC till date, which is the reflection of our strong after sales service.

Founded by Maqsood Shaikh and Tazyeen Shaikh, our promoters have adequate experience in the line of business undertaken by the company and look after strategic as well as day to day business operations. With a sound experience backed by educational qualifications, it is the vision and dedication of our Promoters which have paved the growth path of our Company. Our Promoters believe in the ideology of continuous improvement and developing innovation and it is their vision to make our Company a competitive service provider with a global recognition.

We aim to provide cost effective solutions available while adhering to the quality standards of the service, delivery and quality. The company strives to establish relationships with clients and collaborate with them to drill down on the best solutions. We all are aware that safety and security threat is prevailing all over the world and has increased at an alarming level. We, at Innovative, understand the exact concerns of our customers, help them derive to the actual threat perception and suggest them a cascaded solution. Here by we start an everlasting relationship with our customers. Our teams of professionals are expert from designing to installation and providing proficient after sales service, which we consider a life line to security systems.

#### **OUR LOCATIONAL PRESENCE:**

##### **Registered office –**

E-202, 2nd floor, Skypark, Near Oshiwara Garden, off Ajit Glass Road, Oshiwara, Goregoan (West), Mumbai - 400104, Maharashtra India.

**Branch Offices:** B-401, Pargengar Kondana Budruk, Near Shoba Carnations Kodhwa, Pune – 411 048, Maharashtra, India.

##### **Warehouse facility –**

1. Survey No. 74, Paras Complex, Near Palaspa Phata, Mumbai Goda Road, Panvel – 410206, Mumbai, Maharashtra, India
2. Shop No. 4, Khatri Enclave, Pereira Compound, Behram Baug, Jogeshwari – 400102, Mumbai, Maharashtra, India

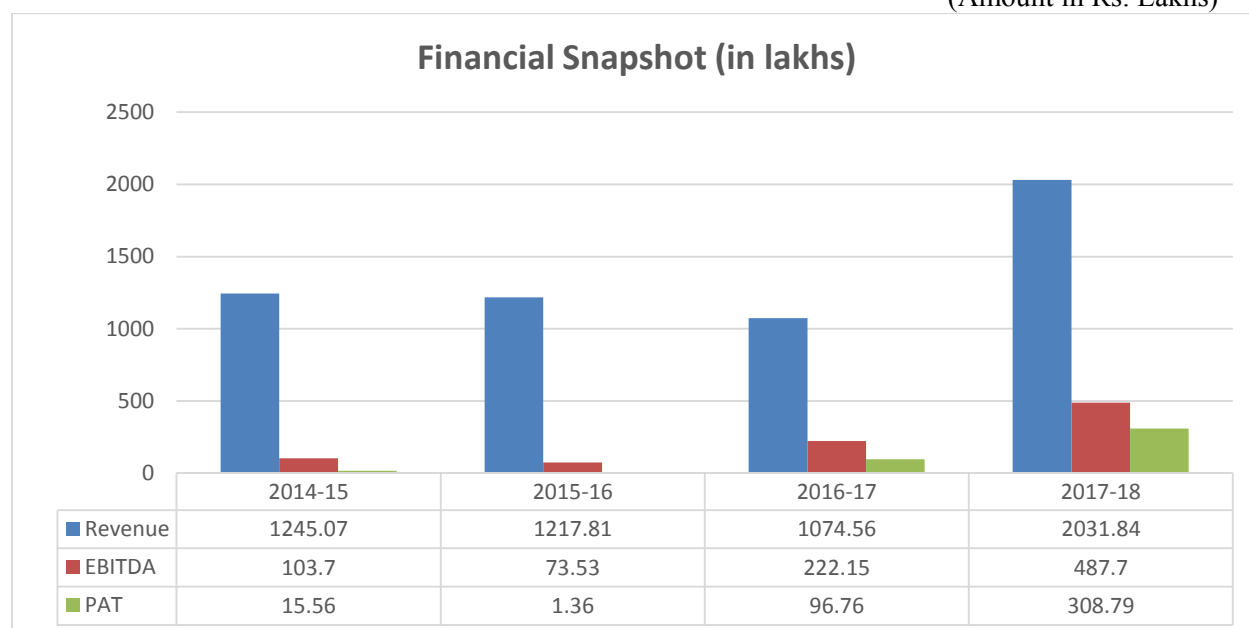
**FINANCIAL SNAPSHOT:****Segmental break-up of our Restated Standalone Revenue from Operation is as under:****(Amount in Rs. Lakhs)**

Particulars	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
Sale of Products	1183.92	1,197.52	1,038.52	1,949.16
Annual Maintenance Contracts & Installation Charges	57.08	14.77	23.06	77.22
<b>Revenue*</b>	<b>1245.07</b>	<b>1217.81</b>	<b>1,074.56</b>	<b>2,031.84</b>

\*Revenue is inclusive of other income

**Geographical break-up of our Standalone Revenue from Operation is as under:****(Amount in Rs. Lakhs)**

Particulars]	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
<b>Export</b>	-	<b>177.31</b>	<b>12.33</b>
United Arab Emirates	-	150.92	12.33
Oman	-	25.94	-
Hong Kong	-	0.04	-
<b>Domestic</b>	<b>1,213.72</b>	<b>888.46</b>	<b>2014.19</b>
Maharashtra	1,209.63	872.30	2014.01
Goa	-	16.02	-
Tamil Nadu	2.71	-	-
Gujarat	1.35	-	-
Uttar Pradesh	0.02	-	-
Karnataka	-	0.01	0.18
<b>Revenue from Operations</b>	<b>1,213.72</b>	<b>1,065.78</b>	<b>2026.53</b>

**Financial Snapshot of our Company as per our Restated Financial Statements is as under:****(Amount in Rs. Lakhs)**

**Product wise break-up of our Standalone Revenue from Operation is as under:**

(Amount in Rs. Lakhs)

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
VDP	406.26	148.42	799.03
CCTV	41.19	86.38	697.43
Home Automation System	315.80	11.03	160.28
Other Products	309.32	263.42	137.22
Annual Maintenance Charges	14.76	23.06	79.57
Access Control System	15.43	2.78	69.59
Telecom (including exports)	60.03	410.90	41.49
Other Security Products	12.43	104.70	20.94
Cabling/wiring	38.47	15.11	16.65
Fire Alarm System	-	-	4.29
Hajj Kit	-	-	0.04
<b>Revenue from Operations</b>	<b>1,213.72</b>	<b>1,065.78</b>	<b>2,026.53</b>

**OUR PRODUCTS:**

Our Company offers a wide range of products which caters not only to B2B segment but also B2C segment:

**Video Door Phone**

Video Door Phone (VDP) is a Visitor Monitoring system used to manage video calls made at the entrance to a building/flat/apartment/workplace with access controlled by audio-visual communication between the inside and outside. Our Company deals in VDP as a distributor for foreign companies, such as, Commax & Kocom in past and currently Fermax. Furthering our experience and knowledge in the field, we have launched VDP under our own brand names, “Onyx” and “Inok”.



**Home Automation Systems**

An automation device which controls the function of home, such as, lights, curtain, fans, Air conditioners, etc. from anywhere using a remote control or a smart device. This system can be installed wired/wireless at places like, home, offices among others. Our Company sells these products under its own brand name of “eHomes” apart from being a distributor of different companies.



**Intrusion Alarm System**

These are electronic alarms designed to alert the user of any danger in case of unauthorised intrusion on their premises. These devices gives an alert message / communication to the owner's mobile number.



**CCTV Systems**

CCTV (closed-circuit television) is a surveillance system comprising of indoor & outdoor cameras along with recorder & monitor in analog /IP technology. Our Company deals in CCTV as distributor for brands like BOSCH, Hikvision, etc.

**CCTV Solutions:**

- IP Cameras
- HD cameras
- Outdoor cameras
- Indoor cameras
- PTZ camera
- Dome camera
- C mount camera
- DVR, NVR



**Access Controls**

Access control is a way of limiting access to a system or to physical or virtual resources. In computing, access control is a process by which users are granted access and certain privileges to systems, resources or information, giving time attendance facility.



**Fire Alarm Systems**

A fire alarm system has a number of devices working together to detect and warn people through visual and audio appliances when smoke, fire, carbon monoxide or other emergencies are present. These alarms may be activated automatically from smoke detectors, and heat detectors or may also be activated via manual fire alarm activation devices such as manual call points or pull stations. Alarms can be either motorized bells or wall mountable sounders or horns.





### **Fibre to the Home (FTTH)**

Large residential complexes requires fibre cable connectivity which serves as a single line of connection for various services such as Video, Broadband Internet and Direct to Home. This avoids the need of installation of fibre cables for each Internet Service Provider (ISPs) and they can use our Fibre cable as their network connection. Our Company has pioneered in Maharashtra by installing fibre cables in many large residential projects.



### **DEVELOPED PRODUCTS:**

#### **Savior**

It is an in-house developed small product with a view of safety and security of senior citizen and children which can be wore as a wrist-watch or as a locket chain. Emergency contact detail can be saved in the device which can be reached to by just pressing the dedicated button out of the 3 buttons in the device. These products are designed with ability of audio conversation with the device holder and emergency contact person. Also, with an option of in-built camera in the device, emergency contact person will be able to get a snapshot of the location device holder. We are further developing this product further to provide exact location of the person which will assist in avoiding any major incident or assist in timely help.



#### **ArmHer**

Innovative has in-house developed product, ArmHer, an innovative product addresses the safety need of our women segment. This device is small and can be attached anywhere avoiding the requirement to reach a mobile phone at a time of emergency or incident. The product comes with host of features such as, last location, voice recording, SOS call among others. With press of a single button, communication reaches to all the emergency contact details with the GPS location of the person. The product was launched by Mrs. Amruta Fadnavis and has been widely praised and accepted. Commercial launch of the product is yet to follow.



**WHAT IS ArmHer :** It is a small Panic switch, very convenient to carry like a keychain and a must for every women . The user will download the free app available on her smart phone. The switch connects to her smart phone via bluetooth.

**HOW IT WORKS:** Incase of a panic situation, the girl presses the switch without touching the smart phone, this sends 5 sms & 5 mails to her preselected family members giving a message " help me" , date, time & the google map location of the girl.

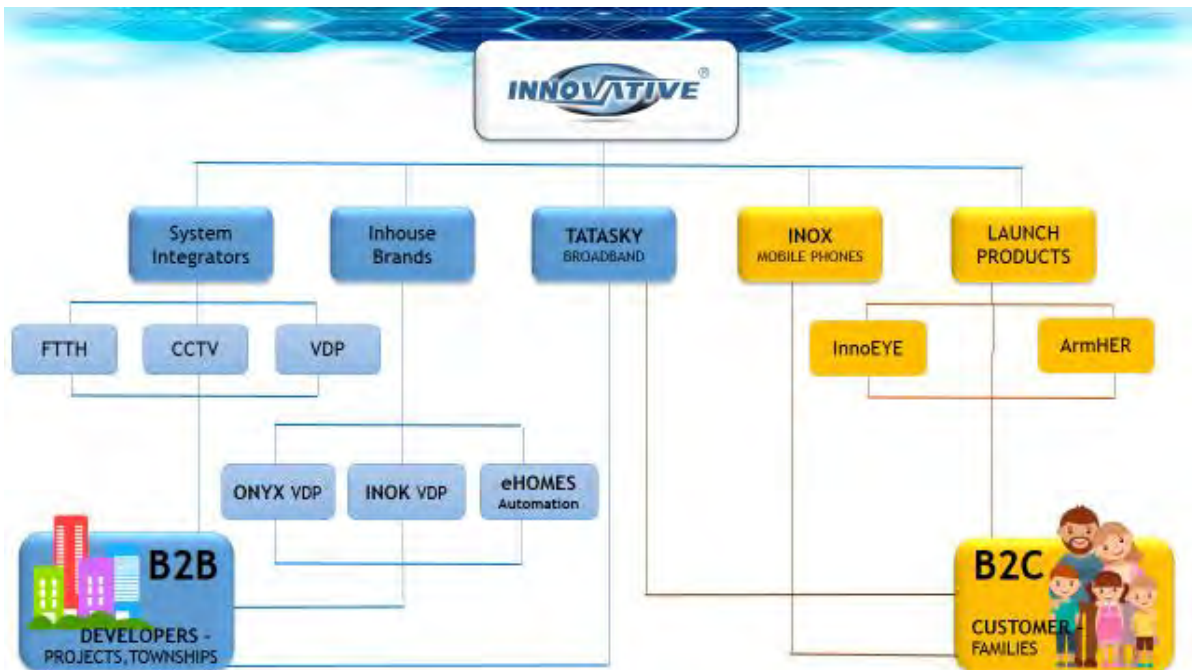
**ICICI Control Room:** Simultaneously the message and the mail will be sent to ICICI control room giving the date, time & the google map location of the girl in trouble .

**Inoyo Mobiles**

To cater to B2C segment, our Company acknowledged the importance of addressing the need of masses. Basic feature mobile phones is widely accepted by people in Tier-2 and Tier-3 cities. It being a cost-effective product, demand for basic features mobile phones is high and increasing on YOY basis. Our Company has currently launched 3 basic features mobile phones under "inoyo" brand. Orders for 8 Inoyo Models are already placed by the customers and it is in the process of manufacturing.



**OUR BUSINESS STRUCTURE:**



## OUR EXPERTISE:

### Consultation:

Here we enter the picture as a consultant to help design an electronic security system. Innovative has two decades of experience in the security alarms, access control, fire detection & suppression, CCTV, explosive detection and monitoring facilities.

Innovative also provides technical security consulting services to private residential complexes that are considering the installation of close circuit television (CCTV) cameras and other security systems.

### **These consulting services include:**

- Evaluation of CCTV software and hardware.
- Selection of network infrastructure including routers, switches, and network management software
- Selection of secondary hardware for managing the CCTV system. These devices include servers for managing digital camera streams, network storage for archiving video, and workstation PCs for viewing and forensic research.
- Providing insight to next generation systems such as video analytics so that the CCTV system becomes a proactive system rather than just an active system.

### Designing & installation:

Designing an optimum solution as per the client need and budget is one of the most important parts of security system. Innovative serves its clients with a properly designed security system, installed to the quality standards and complete within the set time frame and budget mutually agreed upon.

### After Sale Services:

Innovative always strives to provide satisfactory after Sales Services for all low-voltage systems and related products. A team of qualified and experienced professionals and a training center for providing technologically updated manpower to maintain system of any make and model. In addition to this we have an effective complaint management system, where complaints would be promptly attended.

## AWARDS, CERTIFICATES AND RECOGNITIONS



## OUR COMPETITIVE STRENGTHS:

### Competitive Strengths

- **Experienced Management and employee**
- **Quality of after sales service**
- **Wide range of products and services**
- **Evolving with technological changes**

#### 1. Experienced Management

We have an experienced management with our promoters having more than 20 years' experience in the Integrated System and Electronics Security Systems business. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. Our management has developed cordial relationships with suppliers and customers and has woven a strong clientele network for us over the years. We also have employed people in different areas of work who have required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

#### 2. Quality of after-sales Service

Our Company believes that quality of service decides its future. The growth of our organization is directly related to the quality of our services. Our Company attempts to provide qualitative service before sale and after sales at competitive prices. We are specific about the quality of services provided by us and take adequate measures to maintain good quality levels.

#### 3. Wide Range of Products and Services

Our Company deals in varied services. Our diversified services help us to cater different spectrum of clients which also increases our client base. Our services include IP CCTV & Recording Solutions, Networking (Wired & Wireless) & Security Solutions, Fire Detection Systems, Access Control Systems, FTTH,etc. All these services include services of Consultation, Designing and Installation and after sales services. Our Company believes in providing customer specific solutions and possess the technical expertise and resources to design and serve customers requirements.

#### 4. Evolving with technological changes

The only way to sustain in the industry is to keep innovating, reinventing and keeping up pace with changing technology trends. We have been able to deliver our offerings as per the industry trends and introducing services as per latest technology. Our Company constantly endeavors to develop, design and offer services keeping in mind the technological requirements of the customers. Technology up-gradation is an important aspect which a company like ours always ensures not only for survival in the competitive market but also be the best at what we do.

## OUR BUSINESS STRATEGY:

### Mission

Innovative strives to provide to every law-abiding citizen peace of mind that comes through the feeling of security, knowing that they have the best safety of all kinds, physical, health & hygiene,

environmental, and so on, that technology and its associated services can provide. Everything we do reflects this mission.

### **Vision**

Innovative's vision is to be the best-known and the most recognized brand for providing: very high quality and innovative security products; highly customized security solutions; friendly, courteous, and efficient service to our customers, with absolutely minimal inconvenience to them.

## **Business Strategies**

- Launch of Developed Products
- Focus on R&D
- Enhanced marketing activity
- Strengthen our after sales service
- Growing our existing client relationships
- Widening our range of services

### **1. Launch of Developed Products**

Our Company has developed few innovative products, like, ArmHer and Savior, which serves the masses addressing the need of safety and security of senior citizen, children and women. These products are nominally priced and are useful with advanced features. They are being catered into a sensitive segment, acceptance of the products are expected to be wide. Further, our Company has just launched Inoyo mobile phones in a small manner by supplying limited number of quantity in its initial phase. However, we plan to aggressively introduce this product with newer models & Smart Phones into the market to cater the growing demands from Tier-2 and Tier-3 cities.

### **2. Focus on Research and Development**

It is our Company's continuous endeavor to source & innovate our offerings since our inception which is validated by our innovative products. We shall continue to focus on innovating our offerings and giving shape to new ideas. To have a competitive edge over the competitors and a vision to provide the customer with the best possible solutions, we shall continue to focus on our future sourcing & innovative ideas. This will help us expanding our product portfolio required to become a global-level company.

### **3. Enhanced marketing activity**

As we have developed products which are ready to introduce in the market, we believe aggressive marketing activity is essential for timely acceptance and success of the products. Further, since our products offer a service, traditional marketing is not the method which we will be following. Our Company plans to have an interactive marketing activity with road-shows and events online sales, which will not only market our products but also give a real-experience to our prospective customer about the functioning of the product. In our home security solutions, developing our brand image is quite essential to market our services and solutions. We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

**4. Strengthen our after-sales service**

We are growing in terms of projects handled as well as revenues earned. This success is owing to our innovative offerings coupled with our strong after-sales services. Owing to our after sales service, we are preferred by many developers across Maharashtra as a system integrator for security equipment solution. We just do not retail the products since we understand that after sales services are most important factor for continuing the relationship and generating revenue from AMC service. We strive to continue developing and strengthening our after sales services which will act as a potential barrier to new entrants.

**5. Growing our existing client relationships**

Our business is customer oriented and we always strive to maintain good relationships with the customers. We believe that there are significant opportunities for additional growth within our existing client base. We intend to leverage our domain expertise, understanding of our target industry and close relationships with our clients to expand the scope of current services as well as provide services in new areas and businesses.

**6. Widening our range of Services**

Our Company deals in varied services as on date. Our services include IP CCTV & Recording Solutions, Networking (Wired & Wireless) & Security Solutions, Fire Detection Systems, Access Control Systems & Auto Gates, FTTH, Public Address Systems, Building Management Systems, etc. All these services include services of Consultation, Designing and Installation and after sales services. Our Company believes in providing customer specific solutions and possesses the technical expertise and resources to design and serve customers requirements. We aim to widen the scope of our services on continuous basis.

**SUMMARY OF FINANCIAL STATEMENTS**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

**ANNEXURE-I**  
**(Amount in Lacs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
(a) Share capital	831.42	300.00	240.00	120.00	120.00
(b) Reserves and surplus	505.37	378.29	341.54	460.18	444.62
<b>Sub-Total</b>	<b>1,336.79</b>	<b>678.29</b>	<b>581.54</b>	<b>580.18</b>	<b>564.62</b>
<b>3. Non-current liabilities</b>					
(a) Long-term borrowings	46.76	-	-	-	51.60
(b) Deferred tax liabilities (Net)	-	-	-	-	0.08
(c) Other Non Current Liabilities	-	-	-	-	-
(d) Long-term Provisions	21.27	14.04	13.61	15.43	12.14
<b>Sub-Total</b>	<b>68.03</b>	<b>14.04</b>	<b>13.61</b>	<b>15.43</b>	<b>63.82</b>
<b>4. Current liabilities</b>					
(a) Short-term borrowings	721.06	450.97	455.41	405.07	404.29
(b) Trade payables	867.73	801.26	799.55	894.99	3,474.47
(c) Other current liabilities	254.72	176.22	126.98	339.53	104.51
(d) Short-term provisions	231.49	166.26	104.77	119.81	162.46
<b>Sub-Total</b>	<b>2,075.00</b>	<b>1,594.71</b>	<b>1,486.71</b>	<b>1,759.40</b>	<b>4,145.73</b>
<b>TOTAL</b>	<b>3,479.82</b>	<b>2,287.04</b>	<b>2,081.86</b>	<b>2,355.01</b>	<b>4,774.17</b>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets	55.07	42.82	46.21	50.22	53.88
(b) Non-current investments	-	-	-	4.92	6.15
(c) Deferred tax assets (net)	2.60	0.37	0.13	0.31	-
(d) Long-term loans and advances	29.23	2.32	46.87	61.13	47.68
(e) Other Non Current Assets	107.00	-	-	-	-
<b>Sub-Total</b>	<b>193.90</b>	<b>45.51</b>	<b>93.21</b>	<b>116.58</b>	<b>107.71</b>
<b>2. Current assets</b>					
(a) Current investments					
(b) Inventories	1,621.23	725.93	689.92	533.59	590.16
(c) Trade receivables	1,354.78	1,500.96	1,282.40	1,642.37	2,363.64
(d) Cash and cash equivalents	48.71	6.33	15.77	49.88	77.77
(e) Short-term loans and advances	261.20	8.31	0.56	12.59	1,634.89
(f) Other Current Assets	-	-	-	-	-
<b>Sub-Total</b>	<b>3,285.92</b>	<b>2,241.53</b>	<b>1,988.65</b>	<b>2,238.43</b>	<b>4,666.46</b>
<b>TOTAL</b>	<b>3,479.82</b>	<b>2,287.04</b>	<b>2,081.86</b>	<b>2,355.01</b>	<b>4,774.17</b>

## STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE-II  
(Amount in Lacs)

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017	For the year ended on March 31, 2016	For the year ended on March 31, 2015	For the year ended on March 31, 2014
<b>I. Revenue from operations</b>	2,026.39	1,061.57	1,212.29	1,241.00	1,276.03
<b>II. Other income</b>	5.45	13.00	5.52	4.07	5.58
<b>III. Total Revenue (I + II)</b>	<b>2,031.84</b>	<b>1,074.57</b>	<b>1,217.81</b>	<b>1,245.07</b>	<b>1,281.61</b>
<b>IV. Expenses:</b>					
<b>Cost of materials consumed</b>	-	-	-	-	-
<b>Purchases of Stock-in-Trade</b>	2,266.04	770.12	1,115.57	837.81	843.37
<b>Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>	(895.30)	(36.01)	(156.34)	56.57	39.84
<b>Employee benefits expense</b>	122.56	92.24	112.91	134.68	130.00
<b>Finance costs</b>	49.65	73.39	67.55	76.59	72.53
<b>Depreciation and amortization expense</b>	6.25	3.39	4.01	3.82	4.42
<b>Other expenses</b>	50.83	26.07	72.14	112.31	118.51
<b>Total expenses</b>	<b>1,600.03</b>	<b>929.20</b>	<b>1,215.84</b>	<b>1,221.78</b>	<b>1,208.67</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>431.81</b>	<b>145.37</b>	<b>1.97</b>	<b>23.29</b>	<b>72.94</b>
<b>VI. Exceptional items</b>	-	-	-	-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>	<b>431.81</b>	<b>145.37</b>	<b>1.97</b>	<b>23.29</b>	<b>72.94</b>
<b>VIII. Extraordinary Items-</b>	-	-	-	-	-
<b>IX. Profit before tax (VII- VIII)</b>	<b>431.81</b>	<b>145.37</b>	<b>1.97</b>	<b>23.29</b>	<b>72.94</b>
<b>X. Tax expense:</b>					
<b>(1) Current tax</b>	125.25	48.85	0.43	8.12	23.17
<b>(2) MAT Credit</b>	-	-	-	-	-
<b>(3) Deferred tax</b>	(2.23)	(0.24)	0.18	(0.39)	(0.49)
<b>(4) Current tax expense relating to prior years</b>	-	-	-	-	-
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>308.79</b>	<b>96.76</b>	<b>1.36</b>	<b>15.56</b>	<b>50.26</b>
<b>XII. Profit/(loss) from discontinuing operations</b>	-	-	-	-	-
<b>XIII. Tax expense of discontinuing operations</b>	-	-	-	-	-
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	-	-	-	-	-
<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>308.79</b>	<b>96.76</b>	<b>1.36</b>	<b>15.56</b>	<b>50.26</b>
<b>XVI Earnings per equity share:</b>					
<b>(1) Basic &amp; Diluted</b>	<b>4.66</b>	<b>1.79</b>	<b>0.03</b>	<b>0.29</b>	<b>0.93</b>



## STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE-III  
(Amount in Lacs)

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017	For the year ended on March 31, 2016	For the year ended on March 31, 2015	For the year ended on March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Restated Net profit Before Tax and Extraordinary Items	431.81	145.37	1.97	23.29	72.94
Adjustments For:	-	-	-	-	-
Depreciation	6.25	3.39	4.01	3.82	4.42
Preliminary Expenses	-	-	-	-	-
(Interest Received)	(0.89)	(0.50)	(2.77)	(1.31)	(4.44)
Interest and Finance Charges	49.65	73.39	67.55	76.59	72.53
Operating Profit before working capital changes	486.81	221.66	70.76	102.38	145.44
Adjustment For:					
Decrease/(Increase) in Inventories	(895.30)	(36.01)	(156.34)	56.57	39.84
Decrease/(Increase) in Trade receivables	146.17	(218.56)	359.97	721.28	752.43
Decrease/(Increase) in Other Current Assets	-	-	-	-	-
Decrease/(Increase) in Other Non Current Assets	(107.00)	-	-	-	-
(Decrease)/Increase in Trade Payables	66.47	1.71	(95.44)	(2,579.48)	766.11
(Decrease)/Increase in Other Current Liabilities	78.50	49.24	(212.54)	235.01	(28.88)
(Decrease)/Increase in Short Term Provisions	65.22	61.50	(15.05)	(42.64)	0.03
(Decrease)/Increase in Long Term Provisions	-	-	-	-	-
(Decrease)/Increase in Other Non current Liabilities	7.23	0.43	(1.82)	3.29	0.75
Cash Generated from Operations	(151.89)	79.95	(50.45)	(1,503.59)	1,675.73
Less : Taxes Paid	125.25	48.85	0.43	8.12	23.17
Net Cash From /(Used In ) Operating Activities (A)	(277.14)	31.10	(50.88)	(1,511.72)	1,652.56
<b>Cash Flow From Investing Activities</b>					
Purchase/Sale Of Fixed Assets	(18.50)	-	-	(0.15)	(0.26)
Decrease/(Increase) in Non Current investments	-	-	4.92	1.23	1.09
Decrease/(Increase) in Long term Loans & Advances	(26.90)	44.55	14.26	(13.45)	(6.66)
Decrease/(Increase) in Short-	(252.89)	(7.75)	12.03	1,622.29	(1,589.53)

<b>term loans and advances</b>					
<b>Net gain / loss on Sale of Investments</b>	-	-	-	-	-
<b>Interest Received</b>	0.89	0.50	2.77	1.31	4.44
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	<b>(297.40)</b>	<b>37.29</b>	<b>33.98</b>	<b>1,611.23</b>	<b>(1,590.92)</b>
<b>Cash Flow From Financing Activities</b>					
<b>Proceeds from Issue of Shares</b>	531.42	60.00	120.00	-	60.00
<b>Security Premium</b>	58.28	-	-	-	-
<b>Issu of Bonus share</b>	(240.00)	(60.00)	(120.00)	-	(60.00)
<b>Interest and Finance Charges</b>	(49.65)	(73.39)	(67.55)	(76.59)	(72.53)
<b>Proceeds / (Repayments) of Share Application Money</b>	-	-	-	-	-
<b>(Decrease)/Increase in Short Term Borrowing</b>	270.09	(4.44)	50.34	0.79	(8.11)
<b>(Decrease)/Increase in Long Term Borrowing</b>	46.76	-	-	(51.60)	0.78
<b>Net Cash From Financing Activities (c)</b>	<b>616.91</b>	<b>(77.84)</b>	<b>(17.21)</b>	<b>(127.40)</b>	<b>(79.86)</b>
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	42.37	(9.44)	(34.11)	(27.89)	(18.22)
<b>Cash and Cash equivalents at the beginning of the year</b>	6.33	15.77	49.88	77.77	96.00
<b>Cash and Cash equivalents at the end of the year</b>	48.71	6.33	15.77	49.88	77.77

I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"

II. Figures in Brackets represent outflows

The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

## THE ISSUE

The following table summarizes the Issuer details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company	Upto 30,66,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●]Lakhs
<b>Of Which:</b>	
Market Maker Reservation Portion	[●] Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs
Net Issue to the Public	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●]/- per share aggregating Rs. [●] Lakhs
	<i>Of which</i>
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors up to Rs. 2.00 Lakhs
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	83,14,169 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	Upto 1,13,80,169 Equity Shares of face value of Rs.10 each
Use of proceeds of this Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 106of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

### Notes:-

1. The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on September 22, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on September 25, 2017.
2. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, The allocation in the net Issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to
    - i. Individual applicants other than retail individual investors; and
    - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to section titled 'Issue Information' beginning on page 282 of this Draft Red Herring Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed by the members in Extra-Ordinary General Meeting held on August 30, 2017 and the name of our Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901.

Subsequently, our Company acquired the ongoing sole proprietorship business of “M/s. Innovative Solutions” i.e. Sole Proprietorship Concern of one of our Promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017 and ongoing sole proprietorship business of “M/s. Concept N Designs” i.e. Sole Proprietorship Concern of our promoters Tazyeen Shaikh vide Business Acquisition Agreement dated September 29, 2017. Consequently the ongoing Businesses of these proprietorship concerns were merged into “Innovative Ideals and Services (India) Limited”

For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 157 of this Draft Red Herring Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### **Innovative Ideals and Services (India) Limited**

E- 202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden,  
Off Ajit Glass Road, Oshiwara, Goregoan (W),  
Mumbai-400104, Maharashtra, India.

**Tel:** +91 022-6739 2121/2678 1173

**Fax:** N.A.

**Email:** [investors@innovative.in](mailto:investors@innovative.in)

**Website:** [www.innovative.in](http://www.innovative.in)

**Corporate Identification Number:** U64201MH2000PLC129901

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Maharashtra, Mumbai**

100, Everest, Marine Drive  
Mumbai- 400002, Maharashtra, India

Website: [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### **SME Platform of BSE Limited**

P. J. Towers, Dalal Street,  
Fort, Mumbai - 400 001,  
Maharashtra, India.

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

**BOARD OF DIRECTORS OF OUR COMPANY**

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1	Maqsood Shaikh	54	00834754	604, 6 <sup>th</sup> floor, Bhagwati Co-op Housing Society, Plot No. 68, Versova, Yari Road, Andheri (West), Mumbai – 400061, Maharashtra, India.	Managing Director
2	Tazyeen Shaikh	51	00834590	604, 6 <sup>th</sup> floor, Bhagwati Co-op Housing Society, Plot No. 68, Versova, Yari Road, Andheri (West), Mumbai – 400061, Maharashtra, India.	Whole Time Director
3	Dabir Shaikh	80	00643164	10, Havana Sunrise, Havana Coop Hsg. Soc. Ltd., Seven Bunglows, Versova, Andheri West, Mumbai – 400061, Maharashtra, India.	Chairman and Whole Time Director
4	Atul Vaidya	54	07897588	13/4 Bageshri, Oswal Park, Pokhran Road No. 2, Majiwade, Thane (West), Mumbai – 400 601, Maharashtra, India.	Independent Director
5	Preethi Ramesh	52	01124749	43, Godavari, Oswal Park, Pokhran Road, No. 2, Thane (West), 400 601, Maharashtra, India.	Independent Director
6	Anwar Baig	51	07897576	902, Marathon Galaxy 2, Off L B S Road, Near Nirmal Lifestyle Mall, Mulund (West), Mumbai, 400 080, Maharashtra, India	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 162 of this Draft Red Herring Prospectus.

**COMPANY SECRETARY & COMPLIANCE OFFICER****Bhagyashree Goyal****Innovative Ideals and Services (India) Limited**

E- 202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden,  
Off Ajit Glass Road, Oshiwara, Goregoan (W),  
Mumbai-400104, Maharashtra, India.

**Tel:** +91 022-6739 2121/2678 1173

**Fax:** N.A.

**Email:** [cs@innovative.in](mailto:cs@innovative.in)

**Website:** [www.innovative.in](http://www.innovative.in)

**CHIEF FINANCIAL OFFICER****Zafar Inamdar****Innovative Ideals and Services (India) Limited**

E- 202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden,  
Off Ajit Glass Road, Oshiwara, Goregoan (W),  
Mumbai-400104, Maharashtra, India.

**Tel:** +91 022-6739 2121/2678 1173

**Fax:** N.A.

**Email:** [cfo@innovative.in](mailto:cfo@innovative.in)

**Website:** [www.innovative.in](http://www.innovative.in)

**Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

#### **STATUTORY AUDITOR**

##### **ASB & Associates**

##### **Chartered Accountants**

Office 205, Veena Delwai Ind. Estate,  
S.V. Road, Andheri (West), Mumbai,  
400 102, Maharashtra, India

**Tel No.:** 022 60603600

**Fax No.:** NA

**Email:** [anand@asbassociates.com](mailto:anand@asbassociates.com)

**Website:** [www.asbassociates.in](http://www.asbassociates.in)

**Contact Person:** Anand Kumar Loonker

**Firm Registration No.:** 134676W

**Membership No.:** 145721

#### **PEER REVIEWED AUDITOR**

##### **N. K. Aswani & Co.**

##### **Chartered Accountants**

701/A, Wall Street-II, Ellisbridge,  
Ahmedabad – 380006, Gujarat, India

**Tel:** +91 079-26402552/53

**E-mail:** [nkaswani2017@gmail.com](mailto:nkaswani2017@gmail.com)

**Contact Person:** Narain Aswani

**Firm Registration No:** 100738W

**Membership No:** 033278

M/s. N. K. Aswani & Co. Chartered Accountants holds a peer reviewed certificate dated November 13, 2013 issued by the Institute of Chartered Accountants of India.

#### **BOOK RUNNING LEAD MANAGER**

##### **Pantomath Capital Advisors Private Limited**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400051, Maharashtra, India

**Tel:** +91 22 6194 6700

**Fax:** + 91 22 2659 8690

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

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

**Contact Person:** Unmesh Zagade  
**SEBI Registration No:** INM000012110

#### REGISTRAR TO THE ISSUE

**Bigshare Services Private Limited**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai – 400 059, Maharashtra, India  
**Tel:** 022-62638200  
**Fax:** 022-62638299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Id:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Babu Raphael  
**SEBI Registration No:** INR000001385

#### LEGAL ADVISOR TO THE ISSUE

**M V Kini, Law Firm**  
Kini House, Near Citi Bank,  
D.N. Road, Fort, Mumbai - 400 001, Maharashtra, India  
**Tel:** +91 22 22612527/28/29  
**Fax:** +91 22 22612530  
**E-mail:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)  
**Contact Person:** Vidisha Krishan  
**Website:** [www.mvkini.com](http://www.mvkini.com)

#### BANKER TO THE COMPANY

<b>Bank of Maharashtra</b> Mazdock Apt., J.P. Road, Versova, Andheri (W), Mumbai – 400 061 <b>Tel:</b> 022-26347496 <b>Fax:</b> <a href="http://www.bankofmaharashtra.in">www.bankofmaharashtra.in</a> <b>Email:</b> <a href="mailto:brmgr416@mahabank.co.in">brmgr416@mahabank.co.in</a> <b>Website:</b> N.A. <b>Contact Person:</b> M.D. Waranashiwar	<b>Axis Bank Limited</b> Laxmi The Mall, Bldg. No. 5, Laxmi Industrial Estate, New Link Road, Andheri West, Mumbai – 400 053 <b>Tel:</b> 022-66044756 <b>Fax:</b> N.A. <b>Email:</b> <a href="mailto:lokhandwala.operationshead@axisbank.com">lokhandwala.operationshead@axisbank.com</a> ; <a href="mailto:lokhandwala.branchhead@axisbank.com">lokhandwala.branchhead@axisbank.com</a> <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>Contact Person:</b> Avinash Mane
---	--

#### PUBLIC ISSUE BANK / BANKER TO THE ISSUE/ REFUND BANKER

**ICICI Bank Limited**  
Capital Market Division,  
1st Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai – 400 020,  
Maharashtra, India  
**Tel:** +91 22 2266818932  
**Fax:** +91 22 22611138  
**Email:** [Shweta.surana@icicibank.com](mailto:Shweta.surana@icicibank.com)  
**Contact Person:** Shweta Surana  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004



## SYNDICATE MEMBER

### **Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,  
Maharashtra, India

**Tel:** - +91 22 6194 6774

**Fax:** - +91 22 2659 8690

**E-mail:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)

**Contact Person:** Mahavir Toshniwal

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

**SEBI Registration Number:** INZ000068338

## DESIGNATED INTERMEDIARIES

### **Self Certified Syndicate Banks**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on [http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor- Syndicate-ASBA](http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA). For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE Limited, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Registrar to Issue and Share Transfer Agents**

The list of the RTAs eligible to accept Bid cum 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 Bid cum 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 Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## CREDIT RATING

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

## IPO GRADING

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

## **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

## **APPRAISAL AND MONITORING AGENCY**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [●] lakhs, 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.

## **EXPERT OPINION**

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the financial year ended March 31, 2018, 2017, 2016, 2015, 2014 and 2013 as included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinion.

## **BOOK BUILDING PROCESS**

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Marathi Newspaper, Marathi being the regional language of Maharashtra, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

This Issue is being made through the 100 per cent Book Building Process wherein 50 per cent of the Net Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. The allocation in the net Issue to the public category shall be made as follows:

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

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

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 292 of this Draft Red Herring Prospectus

**Illustration of Book Building and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below Rs. 22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

**Steps to be taken by the Bidders for Bidding:**

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page 292 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

## BID / ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

## UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated June 18, 2018 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 and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India <b>Tel:</b> +91 22 61946724 <b>Fax:</b> +91 22 26598690	Upto 30,66,000	[●]	100%

Name and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
<b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Contact Person:</b> Unmesh Zagade <b>SEBI Registration Number:</b> INM000012110			
<b>Total</b>	<b>Upto 30,66,000</b>	<b>[●]</b>	<b>100%</b>

*\*Includes [●] 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 THE MARKET MAKING ARRANGEMENT**

Our Company and the Book Running Lead Manager has entered into an agreement dated June 18, 2018 with the following Market Maker, duly registered with SME Platform of BSE Limited to fulfil the obligations of Market Making:-

##### **Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,  
Maharashtra, India

**Tel:** +91 22 6194 6774

**Fax:** +91 22 2659 8690

**Email:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)

**Contact Person:** Mahavir Toshniwal

**SEBI Registration Number:** INZ000068338

**Pantomath Stock Brokers Private Limited** registered with SME segment of BSE Limited will act as the Market Maker and has agreed to receive or deliver of 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 any 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 BSE Limited 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 issued by the Market Maker(s). The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time and the same shall be updated in Prospectus. 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). The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of BSE Limited and SEBI from time to time.
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue 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 [●]/- the

minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by BSE Limited.

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 [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer over and above 25% 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 Limited 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, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in SPOS and would remain in **Trade for Trade settlement** for 10 days from the date of listing of Equity share on the Stock Exchange.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running 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 Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. SME Platform of BSE Limited 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 Limited can impose any other margins as deemed necessary from time-to-time.
11. SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by

the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

12. 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:

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / BSE from time to time.

## CAPITAL STRUCTURE

*Certain forms and resolutions filed with the Register of Companies (prior to Year 2006) are not traceable by our Company. With respect to changes in capital structure these include form for allotment of shares. Hence, this chapter is prepared based on the resolutions passed in minutes of the meetings of the Board and Members, data provided by management and to the best of information available.*

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to the Issue is set forth below:

*Amount (Rs.in lakhs except share data)*

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,35,00,000 Equity Shares of face value of Rs. 10/- each	1,350.00	[●]
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	83,14,169 Equity Shares of face value of Rs. 10/- each	831.41	[●]
<b>C.</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus</b>		
	Issue of upto 30,66,000 Equity Shares of face value of Rs.10 each at a price of Rs. [●]/- per Equity Share	306.60	[●]
	<b>Consisting:</b>		
	<b>Reservation for Market Maker</b> – [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Net Issue to the Public</b> – [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Of the Net Issue to the Public</b>		
	<b>Allocation to Retail Individual Investors</b> – [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2.00 lakhs	[●]	[●]
	<b>Allocation to Other than Retail Individual Investors</b> – [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2.00 lakhs	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	Upto 1,13,80,169 Equity Shares of face value of Rs. 10/- each	Upto 1,138.02	[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		58.28
	After the Issue		[●]

The Issue has been authorised by the Board of Directors of our Company *vide* a resolution passed at its meeting held on September 22, 2017 and by the shareholders of our company *vide* a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Annual General Meeting held on September 25, 2017.

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



## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of changes in authorised Share Capital:

Since the Incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change,		Date of Shareholders' Meeting	AGM / EGM
Increased From	Increased To		
The authorised share capital of our Company on incorporation comprised of Rs.10,00,000 divided into 1,00,000 Equity Shares of Rs.10each		On Incorporation	-
Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs. 10 each	Rs. 40,00,000 consisting of 4,00,000 Equity shares of Rs. 10 each	January 21, 2008	EGM
Rs. 40,00,000 consisting of 4,00,000 Equity shares of Rs. 10 each	Rs. 60,00,000 consisting of 6,00,000 Equity shares of Rs. 10 each	December 21, 2009	EGM
Rs. 60,00,000 consisting of 6,00,000 Equity shares of Rs. 10 each	Rs. 3,00,00,000 consisting of 30,00,000 Equity Shares of Rs.10/- each	March 17, 2011	EGM
Rs. 3,00,00,000 consisting of 30,00,000 Equity Shares of Rs.10/- each	Rs. 8,00,00,000 consisting of 80,00,000 Equity Shares of Rs.10/- each	July 18, 2017	EGM
Rs. 8,00,00,000 consisting of 80,00,000 Equity Shares of Rs. 10/- each	Rs. 13,50,00,000 consisting of 135,00,000 Equity Shares of Rs. 10/- each	September 25, 2017	AGM

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

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid -up Capital (Rs.)
On Incorporation	30	10	10	Cash	Subscription to MOA <sup>(1)</sup>	30	300
November 19, 2001	7,470	10	10	Cash	Further Allotment <sup>(2)</sup>	7,500	75,000
October 31, 2002	2,500	10	10	Cash	Further Allotment <sup>(3)</sup>	10,000	1,00,000
August 24, 2006	40,000	10	10	Cash	Further Allotment <sup>(4)</sup>	50,000	5,00,000
March 28, 2008	50,000	10	10	Cash	Further Allotment <sup>(5)</sup>	1,00,000	10,00,000
April 29, 2008	50,000	10	10	Cash	Further Allotment <sup>(6)</sup>	1,50,000	15,00,000
March 24, 2009	50,000	10	10	Cash	Further Allotment <sup>(7)</sup>	2,00,000	20,00,000
November 05, 2009	50,000	10	10	Cash	Further Allotment <sup>(8)</sup>	2,50,000	25,00,000
March 29, 2010	2,50,000	10	NA	Other than Cash	Bonus Issue <sup>(9)</sup>	5,00,000	50,00,000
March 31, 2011	1,00,000	10	10	Cash	Further Allotment <sup>(10)</sup>	6,00,000	60,00,000

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
December 11, 2013	6,00,000	10	NA	Other than cash	Bonus Issue <sup>(11)</sup>	12,00,000	1,20,00,000
October 1, 2015	12,00,000	10	NA	Other than Cash	Bonus Issue <sup>(12)</sup>	24,00,000	2,40,00,000
March 31, 2017	6,00,000	10	NA	Other than Cash	Bonus Issue <sup>(13)</sup>	30,00,000	3,00,00,000
August 04, 2017	24,00,000	10	NA	Other than Cash	Bonus Issue <sup>(14)</sup>	54,00,000	5,40,00,000
October 3, 2017	8,23,085	10	12	Other than Cash	Allotment towards acquisition of sole proprietorship business <sup>(15)</sup>	62,23,085	6,22,30,850
October 30, 2017	16,90,417	10	12	Other than Cash	Allotment towards conversion of loan to equity <sup>(16)</sup>	79,13,502	7,91,35,020
December 22, 2017	4,00,667	10	12	Other than Cash	Allotment towards conversion of loan to equity <sup>(17)</sup>	83,14,169	8,31,41,690

- 1) Initial Subscribers to Memorandum of Association subscribed 30 Equity Shares of face value of Rs. 10/-each fully paid at par as per the details given below:

Sr. No.	Name of Subscribers	No. of shares subscribed
1.	Dabir Shaikh	10
2.	Maqsood Shaikh	10
3.	Tazyeen Shaikh	10
	<b>Total</b>	<b>30</b>

- 2) Further allotment of 7,470 Equity Shares of face value of Rs. 10 each fully paid at par as on August November 19, 2001 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Dabir Shaikh	2,490
2.	Maqsood Shaikh	2,490
3.	Tazyeen Shaikh	2,490
	<b>Total</b>	<b>7,470</b>

- 3) Further allotment of 2,500 Equity Shares of face value of Rs. 10 each fully paid at par as on October 31, 2002 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	1,250
2.	Tazyeen Shaikh	1,250
	<b>Total</b>	<b>2,500</b>

- 4) Further allotment of 40,000 Equity Shares of face value of Rs. 10/- each fully paid at par as on August 24, 2006 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	16,000
2.	Tazyeen Shaikh	16,000
3.	Dabir Shaikh	8,000
	<b>Total</b>	<b>40,000</b>

- 5) Further allotment of 50,000 Equity Shares of face value of Rs. 10/- each fully paid at par as on March 28, 2008 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	23,500
2.	Tazyeen Shaikh	23,500
3.	Dabir Shaikh	3,000
	<b>Total</b>	<b>50,000</b>

- 6) Further allotment of 50,000 Equity Shares of face value of Rs. 10/- each fully paid at par as on April 29, 2008 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	23,500
2.	Tazyeen Shaikh	23,500
3.	Dabir Shaikh	3,000
	<b>Total</b>	<b>50,000</b>

- 7) Further allotment of 50,000 Equity Shares of face value of Rs. 10/- each fully paid at par on March 24, 2009 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	17,900
2.	Ibad Shaikh	10,000
3.	Iram Shaikh	9,500
4.	Tazyeen Shaikh	8,600
5.	Dabir Shaikh	4,000
	<b>Total</b>	<b>50,000</b>

- 8) Further allotment of 50,000 Equity Shares of face value of Rs. 10 each fully paid at par on November 05, 2009 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	14,845
2.	Iram Shaikh	12,705
3.	Tazyeen Shaikh	8,000
4.	Dabir Shaikh	8,000
5.	Ibad Shaikh	6,450
	<b>Total</b>	<b>50,000</b>

- 9) Bonus Issue of 2,50,000 Equity Shares of face value of Rs. 10/- each fully paid on March 29, 2010 in the ratio of 1 Equity Share for every 1 Equity Share held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	99,495
2.	Tazyeen Shaikh	83,350
3.	Dabir Shaikh	28,500
4.	Iram Shaikh	22,205
5.	Ibad Shaikh	16,450
	<b>Total</b>	<b>2,50,000</b>

10) Further allotment of 1,00,000 Equity Shares of face value of Rs. 10 each fully paid at par on March 31, 2011 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	50,000
2.	Tazyeen Shaikh	30,000
3.	Ibad Shaikh	10,000
4.	Iram Shaikh	10,000
	<b>Total</b>	<b>1,00,000</b>

11) Bonus Issue\* of 6,00,000 Equity Shares of face value of Rs. 10 each fully paid on December 11, 2013 in the ratio of 1 Equity Share for every 1 Equity Share held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	2,77,490
2.	Tazyeen Shaikh	2,13,800
3.	Iram Shaikh	60,110
4.	Ibad Shaikh	48,600
	<b>Total</b>	<b>6,00,000</b>

*\*Dabir Shaikh vide letter dated November 30, 2013 have waived off the portion of Equity shares offered to him as Bonus in favour of other shareholders of the company. In acceptance of the waiver letter, company had allotted the 57,000 equity shares to other existing shareholders.*

12) Bonus Issue\* of 12,00,000 Equity Shares of face value of Rs. 10/- each fully paid on October 01, 2015 in the ratio of 1 Equity Share for every 1 Equity Share held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	5,54,980
2.	Tazyeen Shaikh	4,27,600
3.	Iram Shaikh	1,20,220
4.	Ibad Shaikh	97,200
	<b>Total</b>	<b>12,00,000</b>

*\*Dabir Shaikh vide letter dated September 30, 2015 have waived off the portion of Equity shares offered to him as Bonus in favour of other shareholders of the company. In acceptance of the waiver letter, company had allotted the 57000 equity shares to other existing shareholders.*

13) Bonus Issue of 6,00,000 Equity Shares of face value of Rs. 10/- each fully paid on March 31, 2017 in the ratio of 1 Equity Share for every 4 Equity Shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	2,70,365
2.	Tazyeen Shaikh	2,09,525

Sr. No.	Name of Allottee	No. of shares Allotted
3.	Iram Shaikh	58,685
4.	Ibad Shaikh	47,175
5.	Dabir Shaikh	14,250
	<b>Total</b>	<b>6,00,000</b>

14) Bonus Issue of 24,00,000 Equity Shares of face value of Rs. 10/- each fully paid on August 04, 2017 in the ratio of 4 Equity Shares for every 5 Equity Shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	10,81,452
2.	Tazyeen Shaikh	7,66,100
3.	Iram Shaikh	2,26,740
4.	Ibad Shaikh	1,72,700
5.	Dabir Shaikh	57,000
6.	Omprakash Luthra	48,000
7.	Raza Shaikh	48,000
8.	Edward James	8
	<b>Total</b>	<b>24,00,000</b>

15) Pursuant to the acquisition of the sole proprietorship business of “M/s. Innovative Solutions” and “M/s. Concepts N Designs”, Allotment of 8,23,085 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs. 2 per Equity Shares as on October 3, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	7,21,648
2.	Tazyeen Shaikh	1,01,437
	<b>Total</b>	<b>8,23,085</b>

16) Pursuant to the conversion of existing loan, Allotment of 16,90,417 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs. 2 per Equity Shares on October 30, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Maqsood Shaikh	7,20,833
2.	Tazyeen Shaikh	6,66,667
3.	Iram Shaikh	1,95,417
4.	Ibad Shaikh	1,07,500
	<b>Total</b>	<b>16,90,417</b>

17) Pursuant to the conversion of existing loan, Allotment of 4,00,667 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs. 2 per Equity Shares on December 22, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Tazyeen Shaikh	4,00,667
	<b>Total</b>	<b>4,00,667</b>

3. We have not issued any Equity Shares for consideration other than cash except as follows:

Date of Allotment / Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
March 29, 2010	2,50,000	10	NA	Bonus Issue in the ratio of 1 Equity shares for every 1 Equity share held	Capitalization of Reserves	Maqsood Shaikh	99,495
						Tayzeen Shaikh	83,350
						Dabir Shaikh	28,500
						Ibad Shaikh	16,450
						Iram Shaikh	22,205
December 11, 2013	6,00,000	10	NA	Bonus Issue in the ratio of 1 Equity Shares for every 1 Equity Shares held	Capitalisation of Reserves	Maqsood Shaikh	2,77,490
						Tayzeen Shaikh	2,13,800
						Iram Shaikh	60,110
						Ibad Shaikh	48,600
October 01, 2015	12,00,000	10	NA	Bonus Issue in the ratio of 1 Equity shares for every 1 Equity share held	Capitalization of Reserves	Maqsood Shaikh	5,54,980
						Tayzeen Shaikh	4,27,600
						Iram Shaikh	1,20,220
						Ibad Shaikh	97,200
March 31, 2017	6,00,000	10	NA	Bonus Issue in the ratio of 1 Equity shares for every 4 Equity share held	Capitalization of Reserves	Maqsood Shaikh	2,70,365
						Tazyeen Shaikh	2,09,525
						Iram Shaikh	58,685
						Ibad Shaikh	47,175
						Dabir Shaikh	14,250
August 04, 2017	24,00,000	10	NA	Bonus Issue in the ratio of 4 Equity shares for every 5 Equity share held	Capitalization of Reserves	Maqsood Shaikh	10,81,452
						Tazyeen Shaikh	7,66,100
						Iram Shaikh	2,26,740
						Ibad Shaikh	1,72,700
						Dabir Shaikh	57,000
						Omprakash Luthra	48,000
						Raza Shaikh	48,000
Edward James	8						
October 3, 2017	8,23,085	10	12	Acquisition of sole proprietorship business	Shares were issued for other than cash	Maqsood Shaikh	7,21,648
						Tayzeen Shaikh	1,01,437
October 30, 2017	16,90,417	10	12	Conversion of Unsecured	Unsecured loan converted	Maqsood Shaikh	7,20,833

Date of Allotment / Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
				Loan	into Equity Shares	Tazyeen Shaikh	6,66,667
						Iram Shaikh	1,95,417
						Ibad Shaikh	1,07,500
December 12, 2017	4,00,667	10	12	Conversion of Unsecured Loan	Unsecured loan converted into Equity Shares	Tayzeen Shaikh	4,00,667

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Except as mentioned below, no shares have been issued at price below Issue Price within last one year from the date of this Draft Red Herring Prospectus:-

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
October 3, 2017	8,23,085	10	12	Acquisition of sole proprietorship business	Shares were issued for other than cash	Maqsood Shaikh	7,21,648
						Tayzeen Shaikh	1,01,437
October 30, 2017	16,90,417	10	12	Conversion of Unsecured Loan	Unsecured loan converted into Equity Shares	Maqsood Shaikh	7,20,833
						Tazyeen Shaikh	6,66,667
						Iram Shaikh	1,95,417
						Ibad Shaikh	1,07,500
December 12, 2017	4,00,667	10	12	Conversion of Unsecured Loan	Unsecured loan converted into Equity Shares	Tayzeen Shaikh	4,00,667

## 7. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

### i. Build Up of Promoter's shareholdings

As on the date of this Draft Red Herring Prospectus, our Promoters, Maqsood Shaikh, Tazyeen Shaikh together hold 49,69,134 Equity Shares of our Company. None of the Equity shares held by our Promoter are subject to any pledge.

#### 1) Maqsood Shaikh

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %
November 17, 2000	10	10	10	Subscription to MOA	Negligible	[●]
November 19, 2001	2,490	10	10	Further Allotment	0.03%	[●]
October 31, 2002	1,250	10	10	Further Allotment	0.02%	[●]
August 24, 2006	16,000	10	10	Further Allotment	0.19%	[●]
March 28, 2008	23,500	10	10	Further Allotment	0.28%	[●]
April 29, 2008	23,500	10	10	Further Allotment	0.28%	[●]
March 24, 2009	17,900	10	10	Further Allotment	0.22%	[●]
November 05, 2009	14,845	10	10	Further Allotment	0.18%	[●]
March 29, 2010	99,495	10	NA	Bonus Issue	1.20%	[●]
March 31, 2011	50,000	10	10	Further Allotment	0.60%	[●]
December 11, 2013	2,77,490	10	NA	Bonus Issue	3.34%	[●]
October 01, 2015	5,54,980	10	NA	Bonus Issue	6.68%	[●]
March 31, 2017	2,70,365	10	NA	Bonus Issue	3.25%	[●]
March 31, 2017	(10)	10	10	Transfer	Negligible	[●]
August 04, 2017	10,81,452	10	NA	Bonus Issue	13.01%	[●]
August 07, 2017	(2,48,990)	10	10	Transfer	(2.99%)	[●]
October 03, 2017	7,21,648	10	12	Acquisition of sole proprietorship business	8.68%	[●]
October 30, 2017	7,20,833	10	12	Conversion of loan	8.67%	[●]
November 08, 2017	(60,000)	10	40	Transfer	(0.72%)	[●]
November 08, 2017	(37,500)	10	26.70	Transfer	(0.45%)	[●]
November 08, 2017	(50,000)	10	20	Transfer	(0.60%)	[●]
November 08, 2017	(50,000)	10	25	Transfer	(0.60%)	[●]
November 13, 2017	(1,12,500)	10	20	Transfer	(1.35%)	[●]
November 13, 2017	(20,000)	10	40	Transfer	(0.24%)	[●]
November 14, 2017	(5,000)	10	40	Transfer	(0.06%)	[●]
December 23, 2017	(50,000)	10	40	Transfer	(0.60%)	[●]
<b>Total</b>	<b>32,41,758</b>				<b>38.99%</b>	<b>[●]</b>

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



## 2) Tazyeen Shaikh

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %
November 17, 2000	10	10	10	Subscription to MOA	Negligible	[●]
November 19, 2001	2,490	10	10	Further Allotment	0.03%	[●]
October 31, 2002	1,250	10	10	Further Allotment	0.02%	[●]
August 24, 2006	16,000	10	10	Further Allotment	0.19%	[●]
March 28, 2008	23,500	10	10	Further Allotment	0.28%	[●]
April 29, 2008	23,500	10	10	Further Allotment	0.28%	[●]
March 24, 2009	8,600	10	10	Further Allotment	0.10%	[●]
November 05, 2009	8,000	10	10	Further Allotment	0.10%	[●]
March 29, 2010	83,350	10	NA	Bonus Issue	1.00%	[●]
March 31, 2011	30,000	10	10	Further Allotment	0.36%	[●]
December 11, 2013	2,13,800	10	NA	Bonus Issue	2.57%	[●]
October 01, 2015	4,27,600	10	NA	Bonus Issue	5.14%	[●]
March 31, 2017	2,09,525	10	NA	Bonus Issue	2.52%	[●]
July 27, 2017	(90,000)	10	14.50	Transfer	(1.08%)	[●]
August 04, 2017	7,66,100	10	NA	Bonus Issue	9.21%	[●]
August 08, 2017	(5,02,620)	10	10	Transfer	(6.05%)	[●]
October 03, 2017	1,01,437	10	12	Acquisition of sole proprietorship business	1.22%	[●]
October 30, 2017	6,66,667	10	12	Conversion of loan	8.02%	[●]
October 30, 2017	(3,00,000)	10	30	Transfer	(3.61%)	[●]
November 07, 2017	(1,00,000)	10	20	Transfer	(1.20%)	[●]
November 13, 2017	(45,000)	10	40	Transfer	(0.54%)	[●]
November 29, 2017	(80,000)	10	40	Transfer	(0.96%)	[●]
December 04, 2017	(25,000)	10	40	Transfer	(0.30%)	[●]
December 22, 2017	4,00,667	10	12	Conversion Of Loan	4.82%	[●]
January 01, 2018	(1,12,500)	10	40	Transfer	(1.35%)	[●]
<b>Total</b>	<b>17,27,376</b>				<b>20.78%</b>	<b>[●]</b>

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

### ii. Details of Promoter's Contribution locked in for three years:

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

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting [●] % of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period	Source of Promoters contribution
[•]	[•]	[•]	[•]	[•]	[•]		
[•]	[•]	[•]	[•]	[•]	[•]		
<b>Total</b>	[•]				[•]		

The minimum 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 in terms of Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- a) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- b) The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price;
- c) No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- d) The Equity Shares held by the Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- e) All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized; and
- f) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

### iii. Details of Share Capital locked in for one year

Other than the above, Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

### iv. Other requirements in respect of lock-in:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable.

8. We further confirm that our Promoters' Contribution of [●] % of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund. We confirm that, there were no shares purchased or sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.

## 9. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

### i. Summary of Shareholding Pattern as on the date of this Draft Red Herring Prospectus:-

C a t e g o r y	C a t e g o r y o f S h a r e h o l d e r	N o. o f s h a r e h o l d e r s	N o. o f f u l l y p a i d u p e q u i t y s h a r e s h e l d	N o. o f P a r t l y p a i d u p e q u i t y s h a r e s h e l d	N o. o f s h a r e s u n d e r l y i n g D e p o s i t o r y R e c e i p t s	T o t a l n o. o f s h a r e s h e l d	S h a r e h o l d i n g a s a % o f t o t a l n o. o f s h a r e s (c a l c u l a t e d a s p e r S C R R, 1 9 5 7) A s a % o f (A+B+C2)	N u m b e r o f V o t i n g R i g h t s h e l d i n e a c h c l a s s o f s e c u r i t i e s*		N o. o f S h a r e s U n d e r l y i n g O u t s t a n d i n g c o n v e r t i b l e s e c u r i t i e s (i n c l u d i n g W a r r a n t s)	S h a r e h o l d i n g , a s a % a s s u m i n g f u l l c o n v e r s i o n o f c o n v e r t i b l e s e c u r i t i e s ( a s a % o f d i l u t e d s h a r e c a p i t a l) A s a % o f (A+B+C2)	N u m b e r o f L o c k e d i n s h a r e s		N u m b e r o f S h a r e s p l e g e d o r o t h e r w i s e e n c u m b e r e d		N u m b e r o f e q u i t y s h a r e s h e l d i n d e m a t e r i a l i z e d f o r m
								N o. o f V o t i n g R i g h t s	T o t a l a s a % o f (A+B+C)			N o. ( a )	A s a % o f t o t a l S h a r e s h e l d ( b )	N o. ( a )	A s a % o f t o t a l S h a r e s h e l d ( b )	
I	II	III	IV	V	VI	VII = IV + V + VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	5	59,70,651	-	-	59,70,651	71.81%	59,70,651	71.81%	-	71.81%	-	-	-	-	59,70,651
B	Public	37	23,43,518	-	-	23,43,518	28.19%	23,43,518	28.19%	-	28.19%	-	-	-	-	23,43,518
C	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>42</b>	<b>83,14,169</b>	<b>-</b>	<b>-</b>	<b>83,14,16</b>	<b>100.0</b>	<b>83,14,16</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,14,1</b>

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 SCR, 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)		
						9	0	9									69

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

\*\*All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on SME Platform of BSE Limited

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, 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 Shares.

**11. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:**

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoters</b>				
1.	Maqsood Shaikh	32,41,758	38.99	32,41,758	[●]
2.	Tazyeen Shaikh	17,27,376	20.78	17,27,376	[●]
	<b>Subtotal (A)</b>	<b>49,69,134</b>	<b>59.77%</b>	49,69,134	[●]
	<b>Promoter Group</b>				
3.	Iram Shaikh	4,80,842	5.78	4,80,842	[●]
4.	Ibad Shaikh	3,92,425	4.72	3,92,425	[●]
5.	Dabir Shaikh	1,28,250	1.54	1,28,250	[●]
	<b>Subtotal (B)</b>	<b>10,01,517</b>	<b>12.05</b>	<b>10,01,517</b>	[●]
	<b>Total (A+B)</b>	<b>59,70,651</b>	<b>71.81%</b>	<b>59,70,651</b>	[●]

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Maqsood Dabir	32,41,758	1.67
Tazyeen Shaikh	17,27,376	Nil*

*\*There was transfer of 6,62,500 Equity Shares between period of October, 2017 to January, 2018, as against 19,89,209 Equity Shares as on October 2017, by Ms. Tazyeen Shaikh to various shareholders in various tranches, which resulted in the cost of acquisition being negative. The average cost of acquisition of equity shares for Tazyeen Shaikh before transfer of such 6,62,500 shares and after transfer of such 6,62,500 shares are provided below*

Date	No. of Shares held	Average cost of Acquisition (in Rs.)
October 30, 2017 (Before transfer of 6,62,500 shares)	19,89,209	2.02
August 31, 2018 (After transfer of 6,62,500 shares)	17,27,376	(7.34)

12. Except as mentioned below, no persons belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares:

<b>Name of the Public Shareholder</b>	<b>No. of Shares held</b>	<b>% of Shares Held</b>
Hitesh Patel	8,10,000	9.74
Gita Ambani	3,00,000	3.61
Valuworth Capital Management Private Limited	2,00,000	2.41
Omprakash Luthara	1,08,000	1.30
Raza Shaikh	1,08,000	1.30

13. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Draft Red Herring Prospectus are set forth below:

a) Particulars of the top ten shareholders as on the date of filing this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>% of Total Paid-Up Capital</b>
1.	Maqsood Shaikh	32,41,758	38.99%
2.	Tazyeen Shaikh	17,27,376	20.78%
3.	Hitesh Patel	8,10,000	9.74%
4.	Iram Shaikh	4,80,842	5.78%
5.	Ibad Shaikh	3,92,425	4.72%
6.	Gita Ambani	3,00,000	3.61%
7.	Valuworth Capital Management Private Limited	2,00,000	2.41%
8.	Dabir Shaikh	1,28,250	1.54%
9.	Omprakash Luthara	1,08,000	1.30%
10.	Raza Shaikh	1,08,000	1.30%
	<b>Total</b>	<b>74,96,651</b>	<b>90.17%</b>

- b) Particulars of the top ten shareholders as at ten days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1	Maqsood Shaikh	32,41,758	38.99%
2	Tazyeen Shaikh	17,27,376	20.78%
3	Hitesh Patel	8,10,000	9.74%
4	Iram Shaikh	4,80,842	5.78%
5	Ibad Shaikh	3,92,425	4.72%
6	Gita Ambani	3,00,000	3.61%
7	Valuworth Capital Management Private Limited	2,00,000	2.41%
8	Dabir Shaikh	1,28,250	1.54%
9	Omprakash Luthara	1,08,000	1.30%
10	Raza Shaikh	1,08,000	1.30%
	<b>Total</b>	<b>74,96,651</b>	<b>90.17%</b>

- c) Particulars of the top ten equity shareholders two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Maqsood Shaikh	1,081,460	45.06%
2.	Tazyeen Shaikh	8,38,100	34.92%
3.	Iram Shaikh	2,34,740	9.78%
4.	Ibad Shaikh	1,88,700	7.86%
5.	Dabir Shaikh	57,000	2.38%
	<b>Total</b>	<b>24,00,000</b>	<b>100.00%</b>

Note: - Our Company had only 5 shareholders two years prior to the date of this Draft Red Herring Prospectus.

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.



15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.
16. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the SME Platform of BSE Limited.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. 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.
19. There are no Equity Shares against which depository receipts have been issued.
20. Other than the Equity Shares, there is no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
22. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
23. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
24. There are no safety net arrangements for this public issue.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
26. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
27. As on date of this Draft Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
28. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
29. As per RBI regulations, OCBs are not allowed to participate in this Issue.
30. Our Company has not raised any bridge loans against the proceeds of the Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

33. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
34. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
35. Our Company has 42 shareholders as on the date of filing of this Draft Red Herring Prospectus.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “*Financial Statements as restated*” on page 185 of this Draft Red Herring Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page 162 of this Draft Red Herring Prospectus.

## OBJECTS OF THE ISSUE

### Requirement of Funds:

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs. [●] lakhs (the “Net Proceeds”).

We intend to utilize the Net Proceeds from Issue towards the following objects:

1. Funding the Working Capital requirements of our Company: and
2. General Corporate Purposes.

(Collectively referred to as “Objects”)

Also, we believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

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

### ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

<i>(Rs. in lakhs)</i>	
Particulars	Estimated Amount
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
<b>Net Proceeds</b>	<b>[●]</b>

### UTILIZATION OF NET PROCEEDS

Sr. No.	Particulars	Amount to be financed from Net Proceeds (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Funding the Working Capital Requirements of our Company	892.40	[●]	[●]
2.	General Corporate Purposes	[●]	[●]	[●]

*\*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.*

### SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Issue.

<i>(Rs. in lakhs)</i>			
Sr. No	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilization of Net Proceeds (Financial Year 2019)
1.	Funding the Working Capital Requirements of our Company	892.40	892.40
2.	General Corporate Purposes*	[●]	[●]

*\*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.*

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## MEANS OF FINANCE

The working capital requirements will be met through the Net Proceeds to the extent of Rs. 892.40 lakhs and balance through internal accruals/ net worth and short term cash credit facility. Further details of funding of the Objects is given below:

<i>(Rs in lakhs)</i>				
Objects of the Issue	Amount Required	IPO Proceeds	Internal Accruals/ Net worth	Short Term Cash Credit Facility
Funding the Working Capital Requirements of our Company	2,800.66	892.40	1,333.26	575.00
General Corporate Purposes*	[●]	[●]	-	-

*\*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.*

Accordingly, we confirm that we are in compliance with the 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 amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

## DETAILS OF THE OBJECTS

### 1. Funding the working capital requirements of our Company:

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from bank & financial institutions. As on March 31, 2017 and March 31, 2018, the amount outstanding on our Company's short term borrowing facility (including short term business loan) from bank and financial institutions was Rs. 450.97 lakhs and Rs. 721.06 lakhs respectively as per the restated financial statements. As on March 31, 2018, our sanctioned fund based working capital facility from bank was Rs. 575.00 lakhs. For further details, please refer to the chapter titled "Financial Indebtedness" beginning on page 250 of this Draft Red Herring Prospectus.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2017 and March 31, 2018 are as stated below:

(Rs. in lakhs)

Particulars	March 31, 2017	March 31, 2018
<b>Current Assets</b>		
Inventories (Finished Goods)	725.93	1,621.23
Trade Receivables	1,500.96	1,354.78
Cash and Bank Balances	6.33	48.71
Short Term Loans and Advances	8.31	261.20
<b>Total (A)</b>	<b>2,241.53</b>	<b>3,285.92</b>
<b>Current Liabilities</b>		
Trade Payables	801.26	867.73
Advance from Customers	138.68	189.01
Other Current Liabilities & Short Term Provisions	203.80	297.19
<b>Total (B)</b>	<b>1,143.74</b>	<b>1,353.93</b>
<b>Total Working Capital (A)-(B)</b>	<b>1,097.79</b>	<b>1,931.99</b>
<b>Existing Funding Pattern</b>		
Short Term Credit funding from Banks / financial institutions	450.97	721.06
Internal accruals/Net Worth	646.82	1,210.93

#### Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated September 03, 2018 has approved the business plan for the Fiscals 2019 and for the Fiscal 2020. The projected working capital requirements for Fiscal 2019 is stated below:

(Rs. in lakhs)

Particulars	March 31, 2019 (Estimated)
<b>Current Assets (A)</b>	
Inventories (Finished Goods)	2,514.58
Trade Receivables	1,065.26
Cash and Bank Balances	91.83
Short term Loans & Advances	393.38
<b>Total (A)</b>	<b>4,065.05</b>
<b>Current Liabilities (B)</b>	
Trade Payables	678.52
Advance from Customers	316.10
Other Current Liabilities & Short term Provision	269.77
<b>Total (B)</b>	<b>1,264.39</b>
<b>Total Working Capital (A)-(B)</b>	<b>2,800.66</b>
<b>Funding Pattern</b>	
IPO Proceeds	892.40
Working capital facility from bank	575.00
Internal Accruals/Net worth	1,333.26

### Assumption for working capital requirements

(In months)

Particulars	Holding Level for March 31, 2017	Holding Level for March 31, 2018	Holding Level for March 31, 2019 (Estimated)
<b>Current Assets</b>			
Inventories (Finished Goods)	5.61	6.25	5.00
Trade Receivables	20.91	8.39	3.00
<b>Current Liabilities</b>			
Trade Payables	12.49	4.60	2.00

#### Justification for "Holding Period" levels

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

Current Assets	
Inventories	We have assumed inventory holding period of 5.00 months for the FY 2018-19 as against 6.25 months in FY 2017-18 which is slightly lower than previous year's holding levels as we are expecting faster movement of inventory for the FY 2018-19 as we plan to introduce new products with a better management policy.
Trade receivables	We have assumed trade receivable period of 3.00 months in FY 2018-19 as against 8.39 months for FY 2017-18 which is significantly lower than previous year's holding period level as we plan to introduce new products in our product line which we are intending to sell on advance payment basis and for existing products we are intending to tighten the credit period to fund our increased estimated working capital requirements for the FY 2018-19.
Current Liabilities	
Trade Payables	In FY 2018-19, the credit period is expected to be 2.00 months as against 4.60 months for FY 2017-18, as going forward, we intend to reduce our creditors days by infusing funds from the Net Proceeds (in FY 2018-19) to avail better credit terms from the creditors.

Our Company proposes to utilize Rs. 892.40 lakhs of the Net Proceeds in FY 2018-19 towards our working capital requirements and the balance portion of our working capital requirement will be arranged from Internal Accruals/ Net Worth and existing cash credit facility.

## 2. General Corporate Purposes:

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) strategic initiatives
- (ii) brand building and strengthening of marketing activities; and
- (iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

### ISSUE RELATED EXPENSES

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

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

*\*As on the date of this Draft Red Herring Prospectus, our Company has incurred Rs. [●] Lakhs towards Issue Expenses out of internal accruals.*

*\*\*Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:*

Portion for RIIs	[●]% ^ (exclusive of Goods and Service Tax)
Portion for NIIs	[●]% ^ (exclusive of Goods and Service Tax)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of Rs 10 (plus applicable Goods and Service Tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

\*\*\*Registered Brokers, will be entitled to a commission of Rs. 10 (plus applicable Goods and Service Tax) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker, on valid bids, which are eligible for allotment, procured from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSB for processing.

\*\*\*\* SCSBs would be entitled to a processing fee of Rs. 10 (plus Goods and Service Tax) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs on valid bids for processing the Bid cum Application Form procured by the members of the Syndicate or the Registered Brokers or the CDPs or RTAs and submitted to them.

#### **BRIDGE FINANCING**

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance project requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance project requirements will be repaid from the Net Proceeds of the Issue.

#### **APPRAISAL BY APPRAISING AGENCY**

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

#### **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs 10,000 lakhs in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Red Herring Prospectus.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will 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**

No part of the Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel or Group Companies, except in the normal course of business and in compliance with applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 20, 185 respectively and chapter titled “*Our Business*”, beginning on page 131 of this Draft Red Herring Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS:

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

- Experienced Management and employees
- Quality of after sales service
- Wide range of products and services and
- Evolving with technological changes

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 131 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS:

The information presented below is based on the restated financial statements of the Company for the Financial Years ended March 31, 2018, 2017, 2016 and 2015, prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for Changes in Capital

Year/ Period Ended	EPS(Rs.)	Weight
March 31, 2018	4.66	3
March 31, 2017	1.79	2
March 31, 2016	0.03	1
<b>Weighted Average</b>		<b>2.93</b>

#### Notes:

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year/period. Earnings per share has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-.
- On August 04, 2017, our Company issued 24,00,000 Equity Shares to its existing shareholders as fully paid bonus shares in the ratio of 4:5. Similarly, 6,00,000 Bonus Equity Shares in the ratio of 1:4 were also issued on March 31, 2017 to the existing shareholders. For calculating the Earnings Per Share above, these bonus shares have been considered as part of Weighted Average Number of Shares for all the reported periods before the issuance of such bonus shares.

**2. Price to Earnings (P/E) ratio in relation to Price Band of Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each fully paid up**

Particulars	P/E Ratio on Cap Price	P/E on Floor Price
P/E ratio based on Basic EPS for FY 2017-18	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
<b>*Industry P/E</b>		
Highest		N.A.
Lowest		N.A.
Average		N.A.

\* We believe that there are no listed peers engaged in the business of Electronics Products and Security Systems and therefore, the Industry P/E Ratio cannot be ascertained.

**3. Return on Net worth (RoNW):**

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

Year/ Period Ended	RoNW (%)	Weight
March 31, 2018	23.10	3
March 31, 2017	14.26	2
March 31, 2016	0.23	1
<b>Weighted Average (%)</b>		<b>16.34</b>

**Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year.

**4. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017**

**To maintain pre-issue basic & diluted EPS**

- At the floor price – [●]%
- At the cap price – [●]%

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

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2018	16.08
Net Asset Value per Equity Share after the Issue- At Cap Price	[●]
Net Asset Value per Equity Share after the Issue- At Floor Price	[●]
Issue Price per equity share	[●]

**Notes:**

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year/period.
- On August 04, 2017, our Company issued 24,00,000 Equity Shares to its existing shareholders as fully paid bonus shares in the ratio of 4:5. Similarly, 6,00,000 Bonus Equity Shares in the ratio of 1:4 were also issued on March 31, 2017 to the existing shareholders. For calculating the Net Asset Value above, these bonus shares have been considered as part of Closing Number of Shares for all the reported periods before the issuance of such bonus shares.

**6. Comparison with other listed companies**

Our Company is engaged in the business of Electronic Products and Security Systems and currently there are no listed peers engaged in this particular business segment and therefore, a strict comparison of our company with any listed company is not possible.

The Issue Price of Rs. [●]/- per Equity Share will be determined by the Company in consultation with the BRLM and is justified based on the above accounting ratios.

The Issue Price of Innovative Ideals and Services (India) Limited will be Rs. [●] per Equity Share. Innovative Ideals and Services (India) Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**The Board of Directors**  
**Innovative Ideals and Services(India) Limited**  
E-202,2<sup>nd</sup> Floor, Skypark, Nr. Oshiwara Garden,  
Off. Ajit Glass Road, Oshiwara,  
Goregoan(W), Mumbai, 400104, Maharashtra

Dear Sirs,

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

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (“Act”) as amended by the Finance Act, 2018 (i.e. applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

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

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

**For, N. K. Aswani & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 100738W**

**Narain K. Aswani**  
**Proprietor**  
**Membership No.: 033278**  
**Date: September 03, 2018**  
**Place: Ahmedabad**

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

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

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

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

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

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

## SECTION IV – ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.*

*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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 185 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.*

#### **ELECTRONICS MARKETS IN INDIA**

The electronics market of India is one of the largest in the world and is anticipated to reach US\$ 400 billion in 2022 from US\$ 69.6 billion in 2012. The market is projected to grow at a compound annual growth rate (CAGR) of 24.4 per cent during 2012-2020. Total production of electronics hardware goods in India is estimated to reach US\$ 104 billion by 2020. The communication and broadcasting equipment segment constituted 31 per cent, which is the highest share of total production of electronic goods in India in FY13, followed by consumer electronics at 23 per cent.

Electronic exports from India was expected to reach US\$ 8.3 billion in FY13, a CAGR of 27.9 per cent during FY07–12. Technological improvements and competitively cost effectiveness are main drivers for demand of Indian electronics products abroad. The Government of India has set up Electronic Hardware Technology Parks (EHTPs), Special Economic Zones (SEZs) and a brought about a favourable climate for foreign direct investment (FDI). It has also increased liberalisation and relaxed tariffs to promote growth in the sector. In addition, the government gave its green signal to the Modified Special Incentive Package Scheme (MSIPS) under which the central government will be offering up to US\$ 1.7 billion in benefits to the electronics sector in next five years.

The growing customer base and the increased penetration in consumer durables segment has provided enough scope for the growth of the Indian electronics sector. Also, digitisation of cable could lead to increased broadband penetration in the country and open up new avenues for companies in the electronics industry.

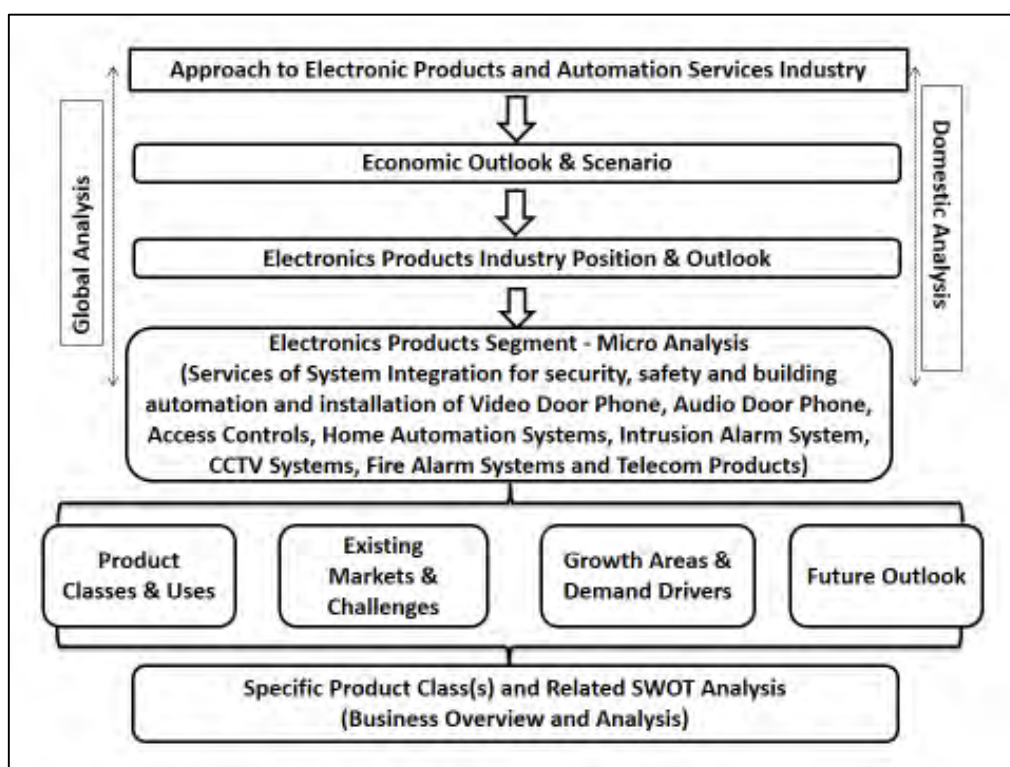
(Source: Electronics Market in India – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

#### **APPROACH TO ELECTRONIC PRODUCTS & AUTOMATION SERVICES INDUSTRY ANALYSIS**

Analysis of Electronic Products & Automation Service Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. The Electronic Products & Automation Service Industry forms part of Service Sector at a macro level. Hence, broad picture of Service Sector should be at preface while analysing the Electronic Products & Automation Industry.

Service Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Service sector, is Electronic Products & Automation Services Industry which in turn encompasses various components such as Services of System Integration for security, safety and building automation and installation of Video Door Phone, Audio Door Phone, Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products.

Thus, Electronic Products & Automation Service Industry should be analysed in the light of Electronics Industry at large. An appropriate view on Electronic Products & Automation Services Industry, then, calls for the overall economy outlook, performance and expectations of Service Sector, position and outlook of Electronic Products & Automation Service segment micro analysis.



*(This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context of Electronic Products and Automation Services Industry / or any other industry, may entail legal consequences)*

## GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China’s unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:



- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

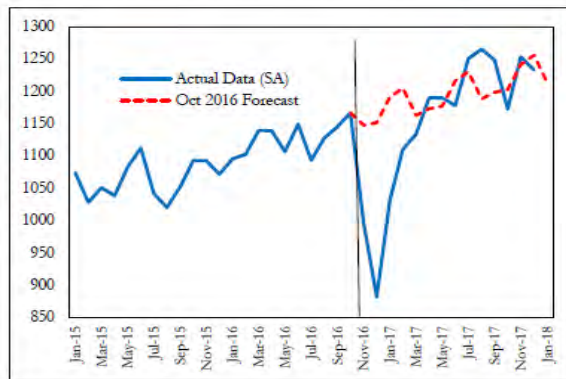
## **OVERVIEW OF INDIA’S ECONOMIC PERFORMANCE IN 2017-18**

### **Economic activity**

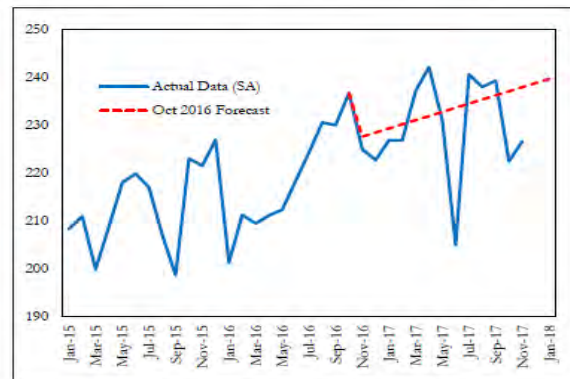
The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

**Figure 19. Sale of Motorcycles**  
(Seasonally adjusted, in thousands)



**Figure 20. Sale of Passenger Cars**  
(Seasonally adjusted, in thousands)

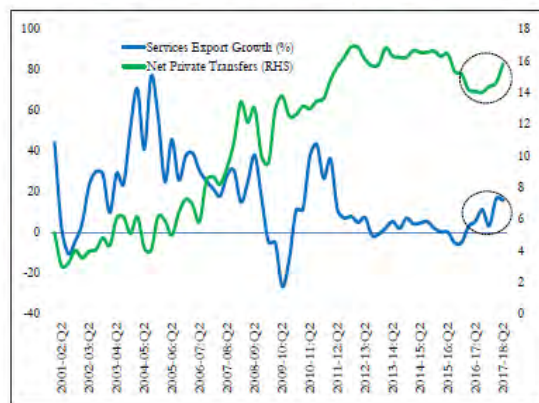


Source: Society for Indian Automobile Manufacturers, Survey calculations.

Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

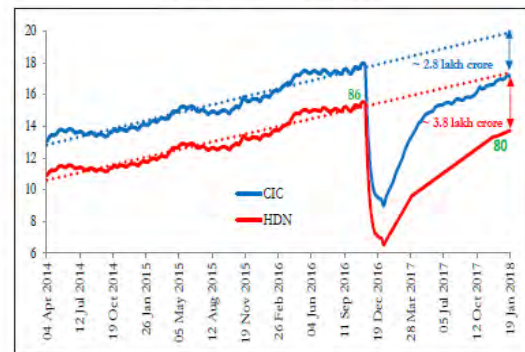
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

**Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)**



Source: RBI, Survey calculations.

**Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)**



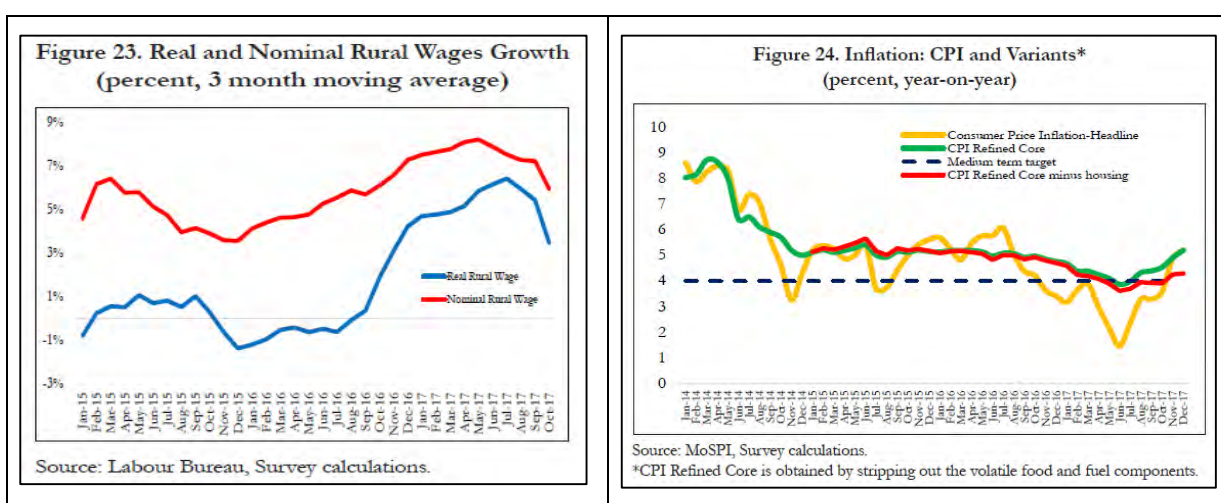
Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and Rabi, reducing the demand for labor. The acreage for kharif and Rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

### Macroeconomic indicators

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI's 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

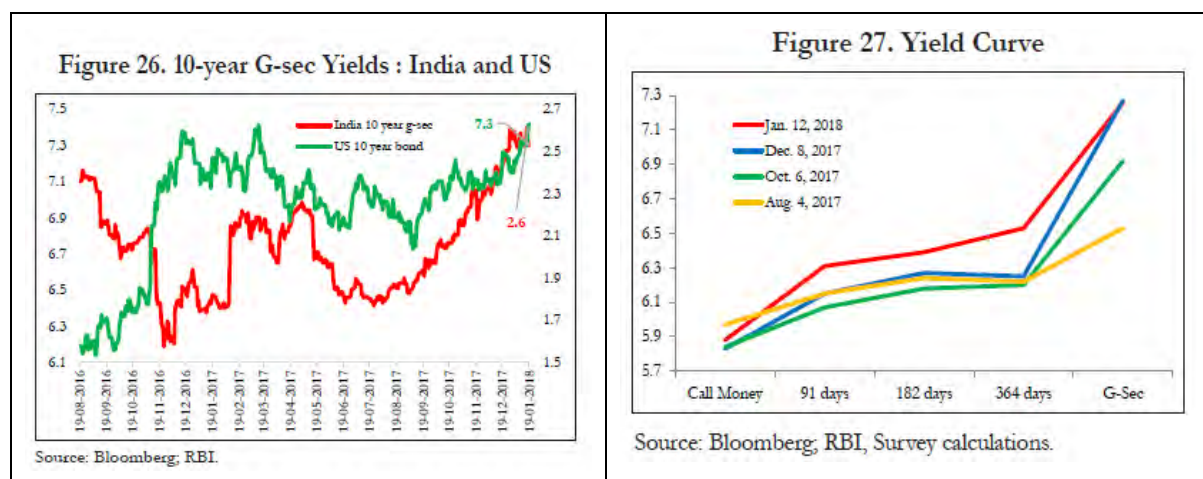
The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy's competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about \$432 billion (spot and forward) at end-December 2017, well above prudent norms.

## Fiscal developments

Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in the US. As a result, the yield curve has become unusually steep (Figure 27).

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.



GST revenue collections are surprisingly robust given that these are early days of such a disruptive change (See Box 7). Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the government's contribution to this improvement vary depending on the methodology used. An econometric exercise yields an estimate of Rs. 40,000 Crores over the two fiscal years of 2016-17 and 2017-18.3 Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-18 over the previous seven-years' average buoyancy, yields an estimate of about Rs. 65,000 Crores (both exclude the 25,000 Crores collected under the Income Disclosure Scheme and Pradhan Mantri Garib Kalyan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between Rs. 65,000 and Rs. 90,000 Crores. These numbers imply a substantial increase in reported incomes (and hence in formalization) of about 1.5 percent to 2.3 percent of GDP.

As a result of the budget overruns, the central government's fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be hewing closely to their targeted fiscal consolidation – in part because the centre has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Reflecting largely fiscal developments at the centre, a pause in general government fiscal consolidation relative to 2016-17 cannot be ruled out. In addition, the measured deficit for 2017-18 will include Rs. 80,000 crore (0.5 percent of GDP) in capital provided to public sector banks. But this will not affect aggregate demand, as reflected in international accounting practice which deems such operations as financing ("below-the-line") rather than expenditure.

In the case of borrowing by the states, markets have perhaps inadequately taken into account the fact that higher market borrowings by them does not reflect higher deficits; rather about Rs. 50,000 crore or 0.3 percent of GDP of market borrowings is due to changes in the composition of financing, away from higher cost NSSF borrowings toward lower cost market borrowings. This lack of strict correspondence between the deficit and borrowings at the central and state levels (Figure 28) is discussed in greater detail in Box 8. For general government, about Rs. 40,000 Crores represents

greater market borrowings that is not due to deficits—a fact which markets apparently have not internalized.

Another factor contributing to the rise in bond yields has been stepped-up Open Market Operations (OMO) by the RBI. This amounted to a net sale of about Rs. 90,000 Crores during April-December 2017-18 (compared to a net redemption of Rs. 1.1 lakh Crores during the same period in 2016-17) to sterilize the impact of foreign flows, themselves induced by high interest rates.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **OUTLOOK FOR 2018-19**

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market “sudden stall” induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with

higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **SERVICE SECTOR: OVERVIEW**

### **Introduction**

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

### **Market Size**

The services sector is the key driver of India's economic growth. The sector is estimated to contribute around 54.0 per cent of India's Gross Value Added in 2017-18 and employed 28.6 per cent of the total population. India's net services exports during reached US\$ 57.60 billion April-December 2017.

Nikkei India Services Purchasing Managers Index grew from 47.80 in February 2018 to 50.30 in March 2018, supported by growth in the growth in Information & Communications and Finance & Insurance. As per Ministry of Statistics and Programme Implementation's second advance estimates of National Income 2017-18, services sector GVA is expected to grow to US\$ 1,266.10 million in FY18.

According to a report called 'The India Opportunity' by leading research firm Market Research Store, the Indian mobile services market is expected to reach \$37 billion in 2017 and grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020. Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

### **Investments**

The Indian services sector which includes financial, banking, insurance, non-financial/business, outsourcing, research and development, courier and technical test analysis, has attracted FDI equity inflows in the period April 2000-December 2017, amounting to about US\$ 64.10 billion according to the Department of Industrial Policy and Promotion (DIPP).

Some of the developments and major investments by companies in the services sector in the recent past are as follows:

- Private Equity (PE) investments in the hospitality industry rose nearly three-fold to US\$ 119 million in 2017 from US\$ 43.58 million in 2016. Hotel deals, including mergers and acquisitions, are expected to pick up further in 2018 as many premium hotel properties are up for sale.
- American fast food chain McDonalds is reopening 84 of its closed restaurants, increasing the total number of operational restaurants across north and east India to 169.
- National Skill Development Corporation has signed a tripartite Memorandum of Understanding (MoU) with Tourism and Hospitality Sector Skill Council (THSC) and Airbnb to impart hospitality skills training to hospitality micro-entrepreneurs in India.

- The domestic and foreign logistic companies are optimistic about prospects in the logistics sector in India, and are actively making investments plans to improve earnings and streamline operations.

### **Government Initiatives**

The Government of India recognises the importance of promoting growth in services sectors and provides several incentives in wide variety of sectors such as health care, tourism, education, engineering, communications, transportation, information technology, banking, finance, management, among others. Prime Minister Narendra Modi has stated that India's priority will be to work towards trade facilitation agreement (TFA) for services, which is expected to help in the smooth movement of professionals. The Government of India has adopted a few initiatives in the recent past. Some of these are as follows:

- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Central Government increased incentives provided under Services Exports from India Scheme (SEIS) by two per cent.
- Ministry of Communications, Government of India, has launched DARPAN - “Digital Advancement of Rural Post Office for A New India” which is aimed at improving the quality of services, adding value to services and achieving “financial inclusion” of un-banked rural population.
- Ministry of Civil Aviation, Government of India, launched 'DigiYatra', a digital platform for air travellers that aims to develop a digital ecosystem providing consistent service and a delightful experience at every touch point of the journey.
- The Ministry of Electronics and Information Technology has launched a services portal, which aims to provide seamless access to government services related to education, health, electricity, water and local services, justice and law, pensions and benefits, through a single window.

### **Road Ahead**

Services sector growth is governed by both domestic and global factors. The Indian facilities management market is expected to grow at 17 per cent CAGR between 2015 and 2020 and surpass the US\$19 billion mark supported by booming real estate, retail, and hospitality sectors. The performance of trade, hotels and restaurants, and transport, storage and communication sectors are expected to improve in FY17. The financing, insurance, real estate, and business services sectors are also expected to continue their good run in FY17.

The implementation of the Goods and Services Tax (GST) has created a common national market and reduced the overall tax burden on goods. It is expected to reduce costs in the long run on account of availability of GST input credit, which will result in the reduction in prices of services.

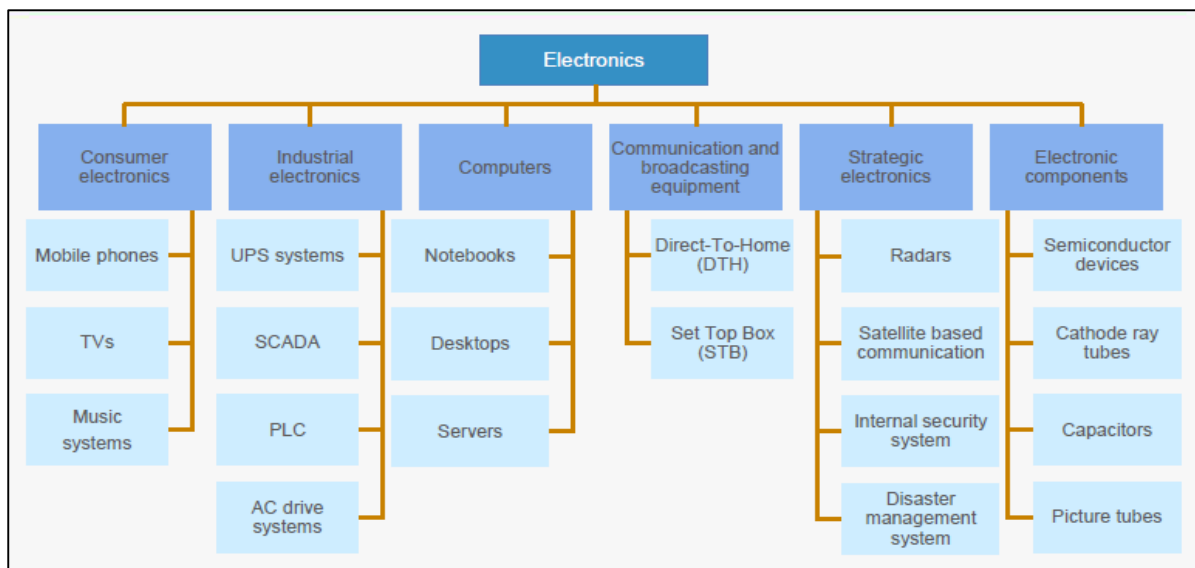
Exchange Rate Used: INR 1 = US\$ 0.015 as on March 01, 2018

*References: Media Reports, Press Releases, DIPP publication, Press Information Bureau,*

*Note: # - according to a report by Google India and KPMG*

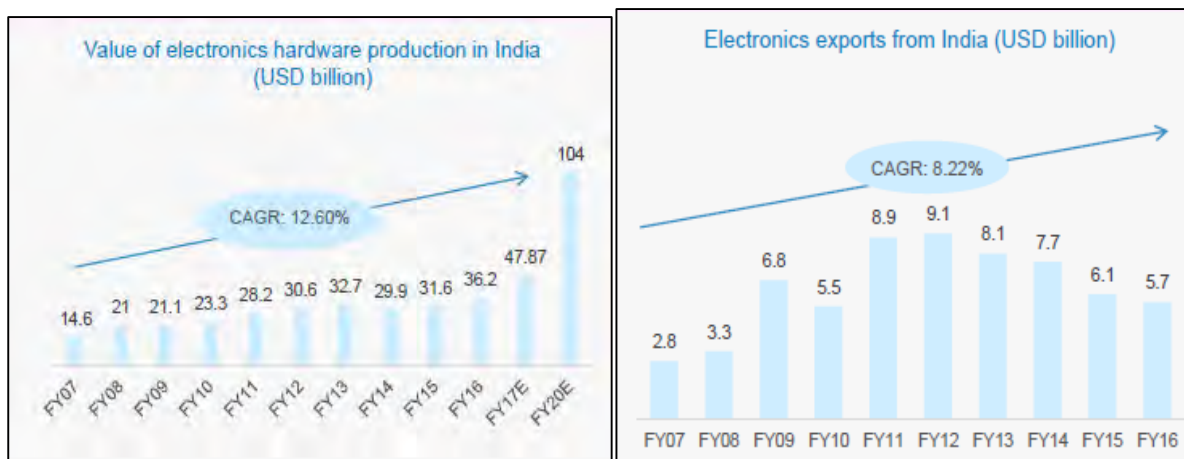
*(Source: Services Sector in India – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))*

## THE INDIAN ELECTRONICS SECTOR IS SPLIT INTO SIX PRODUCT SEGMENTS



(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## INDIAN ELECTRONICS MARKET: STATISTICAL OVERVIEW



(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## ADVANTAGE INDIA

### Growing demand

Demand from households is set to accelerate given rising disposable incomes, changing lifestyles and easier access to credit. Government and corporate spending will also contribute to growth in demand.

### Higher Investments

Sector has attracted strong investments in the form of M&As and other FDI inflows. Companies are set to augment investments in production, distribution and R&D in the next few years. Government has received investment proposals for USD17.5 million for which they intend to provide incentives under M-SIPS scheme. Applications received before July, 2020 will be considered.

### Attractive opportunities

The electronics market is expected to expand at a CAGR of 41.4 per cent during 2016–20. Intended reduction in government's import bill is likely to boost domestic electronics manufacturers.

### Policy support

100 per cent FDI allowed in the electronics hardware manufacturing sector under the automatic route. Initiatives like Modified Special Incentive Package Scheme (M-SIPS) will provide a capex subsidy of 20 – 25 per cent. As per Make in India Initiative, Electronic Development Fund Policy has been approved to rationalise an inverted duty structure. Focus on local manufacturing and design LED.



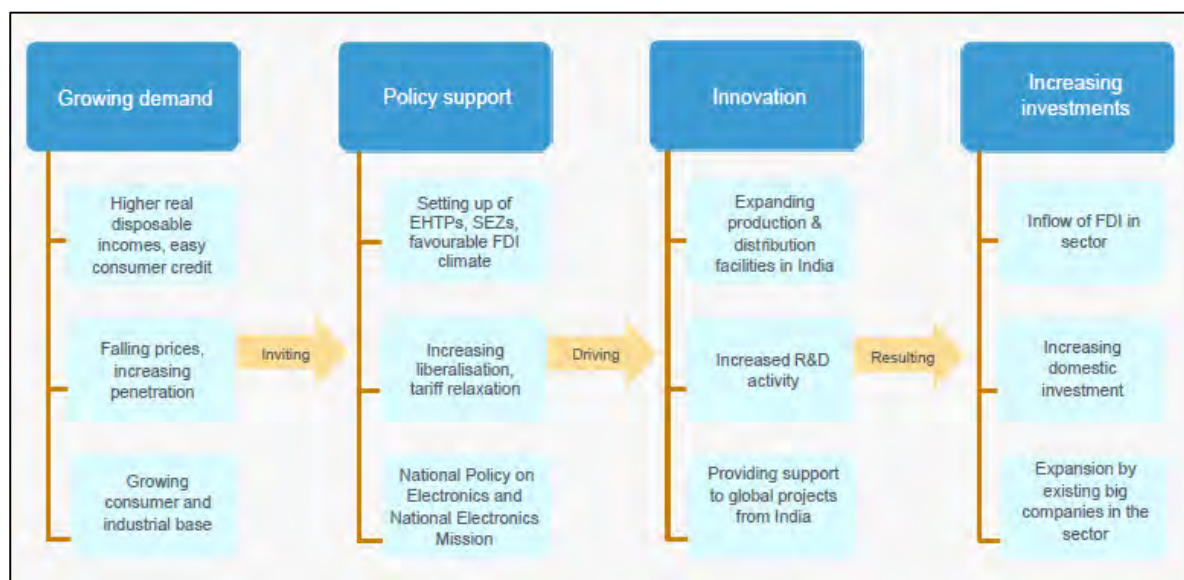
growth of the ESDM sector, the IESA provided a budgetary support of USD110 million through schemes.

FY 2017 - Market size – USD100 billion

FY 2020 E - Market size – USD 400 billion

(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## STRONG DEMAND AND POLICY SUPPORT ARE DRIVING INVESTMENTS



(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## POLICY SUPPORT AIDING GROWTH IN THE SECTOR

### Encouragement to FDI, SEZs

100 per cent FDI is allowed under the automatic route in the Electronics Systems Design and Manufacturing sector and is subject to all applicable regulations and laws. In case of electronics items for defence, FDI up to 49 per cent is allowed under the government approval route, whereas anything above 49 per cent is allowed through the approval of the Cabinet committee on security.

### Customs duty relaxation

No customs duty on 217 tariff lines covered under the Information Technology Agreement (ITA- 1) of the WTO. Peak rate for basic customs duty is 10 per cent.

### Reduced central excise

Mean rate of excise duty (CENVAT) is 12.5 per cent. Microprocessors, hard disc drives, CD ROM drives, DVD drives/DVD writers, flash memory sticks and combo-drives are exempt from excise duty payment and SAD. Components and accessories of mobile handsets are exempt from excise duty and SAD

### Electronic Development Fund Policy

Under Union Budget 2017, government has increased the allocation of the Modified Special Initiative Package & the Electronics Development Fund to US\$ 110.81 million to create an ecosystem to make India a global manufacturing hub.

### Inverted Duty

Inverted Duty has been rationalised for various electronics products including tablets, mobile phones, LED lights, LCD/LED TVs, telecom equipment etc.

### Goods & Services Tax

GST rollout on July 1, 2017 is expected to have a positive impact on small electronic devices market like mobile phones due to a drop in tax to 12 per cent from the current 13.5 per cent.

### EPCG, EHTP Schemes

EHTP provides benefits, such as duty waivers and tax incentives, to companies which replace certain imports with local manufacturing. Cabinet approved the Modified Special Incentive Package Scheme (M-SIPS) to boost electronics manufacturing in India, under which the firms achieving a turnover of US\$1.48 billion within a timeframe of 5 years from the approval date would be incentivised.

### **Intellectual Property Rights**

Intellectual Property Rights (IPR) are a key determinant of progress in R&D and innovation in the electronics sector. GOI has amended relevant IPR-related acts (like the Copyright Act, Trademark Act, New Designs Act) from time to time to help spruce up innovation and new technologies in the sector.

### **MSIPS**

The scheme was notified on July 27, 2015 to attract investments in electronics manufacturing. Incentives would be provided under MSIPS on the investment proposals being received. Till September 2015, investments of USD17.5 billion has been received. In December 2016, the IT and Electronics Ministry is planning to take forward a reworked flagship incentive scheme MSIPS (Modified Special Incentive Package Scheme) for electronics manufacturing, to be presented to the Cabinet, with an objective to fast-forward investments

### **Electronic Manufacturing Cluster (EMC) Scheme**

As of July 2015, investments of USD13.96 million for 2 EMCs have been approved. Total number of EMCs approved in the last 1 year have become 21; 16 for Greenfield EMCs, 3 for Brownfield EMCs in 7 states. As of December 2015, investments of USD18.67 billion has been allocated in the electronics manufacturing sector

### **Favourable business conditions**

As of April 2017, Haryana government plans to introduce a new policy on electronics, communication & information sector. With an aim to create an investor friendly environment in the state, the government plans to provide incentives for IT & ITeS/BPO/ electronics manufacturing and develop the reliable infrastructure.

### **Focus on new technologies**

To build on the emerging chip design & embedded software industry for achieving global leadership in Very Large Scale Integration (VLSI), chip design and other frontier technical areas and to achieve a turnover of USD55 billion by 2020, also focus on handling e-waste in an environment friendly policies. The Ministry of Electronics and IT has revised policy to make India a global semiconductor hub to attract private sector companies, the Government will play an active role in it

### **Promote exports**

To increase export in the electronic system design and manufacturing sector from USD5.5 billion to USD80 billion by 2020

### **Improving supply chain**

To build a strong supply chain of raw materials, parts and electronic components for raising the indigenous availability of these inputs from the current 20–25 per cent to over 60 per cent by 2020

### **Building competencies**

To develop core competencies in strategic and core infrastructure sectors like telecommunications, automotive, avionics, industrial, medical, solar, information broadcasting and railways

### **Electronic Manufacturing Clusters (EMCs)**

Provide incentives for setting up of 200 Electronic Manufacturing Clusters (EMCs) - setting up of Greenfield EMCs and up gradation of brownfield EMCs.

### **Magnetic Heads**

BCD of 7.50/10.00 per cent would be imposed on ceramic/magnetic cartridges and stylus, level meters/level indicators/ tuning indicators/ peak level meters/ battery meter/VC meters/ tape counters, antennas, EHT cables, tone arms, electron guns

### **Road Construction Machinery**

CVD of 12.50 per cent would be charged on specified machinery required for construction of roads

### **Mobile Phones**

BCD of 10 per cent, CVD of 12.50 per cent and SAD of 4 per cent will be imposed on charger/adaptor, battery and wired headsets/speakers for manufacture of mobile phones. Whereas, no duty will be charged on inputs, parts & components, subparts for manufacturing of charger/adaptor, battery and wired headsets/speakers of mobile phones. SAD of 2 per cent on populated PCB for manufacturing of mobile phones

### **Telecommunication Equipment**

BCD of 10 per cent on specified telecommunication equipment (Soft switches and VoIP equipment namely VoIP phones, media gateways, etc. BCD of 10 per cent on preform silica to manufacture telecom grade optical fibre/cables

### **Tablet & Desktop Computers/Laptops**

SAD of 4 per cent on populated PCBs for manufacture of personal computers (laptop or desktop). SAD of 2 per cent on populated PCB for manufacture of tablet computers

### **Electrical Equipments**

Exemption of BCD & SAD from machinery, electrical equipment, instrument & parts, thereof (except PCBs) for semiconductor wafer fabrication/LCD fabrication units Machinery, electrical equipment & instrument & parts thereof (except populated PCBs) imported for Assembly, Test, Marking & Packaging of semiconductor chips (ATMP) would be exempted from BCD & SAD. Under Union Budget 2017, the government has set aside US\$ 1.01 billion towards seed capital to build a corpus for the electronic development fund, which will support innovation & entrepreneurship in electronics sector.

### **Capital Goods**

Exemption of BCD on specified capital goods & inputs used in manufacturing of Micro fuses, sub miniature fuses, resettable fuses & thermal fuses. CVD would be exempted from capital goods/spare: raw materials, parts, material handling equipment and consumable for repairs of ocean-going vessels by a ship repair unit

### **Medical Equipments**

All type of duties will be exempted from disposable sterilized dialyzer & micro barrier of artificial kidney Exemption of BCD from Medical Use Fission Molybdenum-99 imported by Board of Radiation and Isotope Technology (BRIT) for manufacture of radio pharmaceuticals

### **Digital Electronics**

All duties exempted from parts & components, subparts for manufacture of routers, broadband Modems, Set-top boxes for gaining access to internet, set top boxes for TV, digital video recorder (DVR) / network video recorder (NVR), CCTV camera / IP camera, lithium ion battery, other than those for mobile handsets.

(Source: Electronics 2017 – India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 19 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” beginning on pages 20 and 185, respectively.

### OVERVIEW OF THE BUSINESS:

Our Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently our Company was converted into a public limited company pursuant to Special Resolution passed by the members in Extra General Meeting held on August 30, 2017 and the name of our Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901. Subsequently our Company acquired the ongoing sole proprietorship business of “M/s. Innovative Solutions” i.e. Sole Proprietorship Concern of one of our Promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017 and ongoing sole proprietorship business of “M/s. Concept N Designs” i.e. Sole Proprietorship Concern of our promoters Tazyeen Shaikh vide Business Acquisition Agreement dated September 29, 2017. Consequently the ongoing Businesses of these proprietorship concerns were merged into “Innovative Ideals and Services (India) Limited”

We started the business as a proprietorship concern for trading of varieties of security equipment by importing those from Korea. With acquisition of proprietorship concerns and incorporation as a Company, we have gradually evolved from a trading company to a security solution provider. We are providing services of System Integration for security, safety and building automation and installation of various electronics systems. We provide a wide range of services with respect to security and electronic systems, such as, Video Door Phone, Audio Door Phone, Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products. Our Company targets the requirements of residential construction industry in B2B segment.

Our Company provides Video Door Phones under its own brand names, namely, “Onyx” and “Inok”. Further, home automation solutions are provided under the brand name of “eHomes”.

Strengthening its service to B2B segment, our Company introduced Fibre to the Home (FTTH) solutions in the residential projects which is a single line connection for Voice, Direct To Home and Broadband internet services. This fibre allows multiple Internet Service Providers (ISPs) to use the single fibre cable to provide their services.

Our Company has been known for catering to B2B segment, however, further to expand our product portfolio to reach B2C segment with a view of catering to a mass market, we have developed 2 innovative products, “Savior” and “ArmHer”, addressing the need of safety of the citizens in the country, primarily, children, women and senior citizens. Apart from this, we have also launched basic feature mobile phones which are sold under own brand name, “Inoyo”.

We are authorised distributor of FERMAX Electronica S.A.U. for their products FERMAX Audio/Video Door Entry System in the territory of India and hold valid certificate of distributorship until February 04, 2019. We have entered an agreement with Tata Sky Broadband Private Limited for provision of broadband services including installation, operation, security, maintenance and provision of access infrastructure to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune for the period of five years commencing from March 15, 2018 to March 14, 2023. We have also entered an agreement with Tata Sky Limited for provision of Direct to Home (DTH) services as an authorised distributor of Tata Sky to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune for the period of five years commencing from March 15, 2018 to March 14, 2023.

Our strength lies in not just procuring, installing and commissioning the security system but to offer strong after sales service. We are being preferred by residential developers because of our trained staff for after-sales service to promptly respond to customers, through our well trained customer care call centre.

By completing more than 15 years of services, Innovative has provided its services to more than 21,800 apartments. Our Company continues to earn revenue from many of its projects through Annual Maintenance Contracts (AMC). One of our projects, Gundecha's Valley of Flowers, which we have completed in year 2001 and continues to serve AMC till date, which is the reflection of our strong after sales service.

Founded by Maqsood Shaikh and Tazyeen Shaikh, our promoters have adequate experience in the line of business undertaken by the company and look after strategic as well as day to day business operations. With a sound experience backed by educational qualifications, it is the vision and dedication of our Promoters which have paved the growth path of our Company. Our Promoters believe in the ideology of continuous improvement and developing innovation and it is their vision to make our Company a competitive service provider with a global recognition.

We aim to provide cost effective solutions available while adhering to the quality standards of the service, delivery and quality. The company strives to establish relationships with clients and collaborate with them to drill down on the best solutions. We all are aware that safety and security threat is prevailing all over the world and has increased at an alarming level. We, at Innovative, understand the exact concerns of our customers, help them derive to the actual threat perception and suggest them a cascaded solution. Here by we start an everlasting relationship with our customers. Our teams of professionals are expert from designing to installation and providing proficient after sales service, which we consider a life line to security systems.

#### **OUR LOCATIONAL PRESENCE:**

##### **Registered office –**

E-202, 2nd floor, Skypark, Near Oshiwara Garden, off Ajit Glass Road, Oshiwara, Goregoan (West), Mumbai - 400104, Maharashtra India.

**Branch Offices:** B-401, Pargengar Kondana Budruk, Near Shoba Carnations Kodhwa, Pune – 411 048, Maharashtra, India.

##### **Warehouse facility –**

1. Survey No. 74, Paras Complex, Near Palaspa Phata, Mumbai Goa Road, Panvel – 410206, Mumbai, Maharashtra, India
2. Shop No. 4, Khatri Enclave, Pereira Compound, Behram Baug, Jogeshwari – 400102, Mumbai, Maharashtra, India

**FINANCIAL SNAPSHOT:****Segmental break-up of our Restated Standalone Revenue from Operation is as under:**

(Amount in Rs. Lakhs)

Particulars	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
Sale of Products	1183.92	1,197.52	1,038.52	1,949.16
Annual Maintenance Contracts & Installation Charges	57.08	14.77	23.06	77.22
<b>Revenue*</b>	<b>1245.07</b>	<b>1217.81</b>	<b>1,074.56</b>	<b>2,031.84</b>

\*Revenue is inclusive of other income

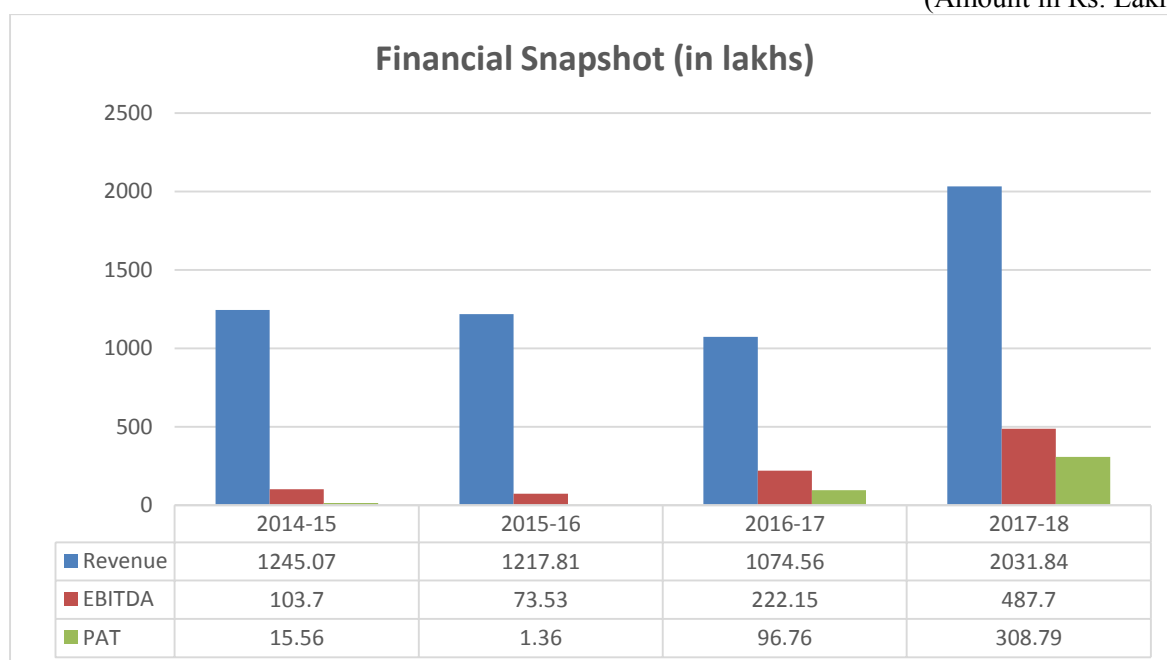
**Geographical break-up of our Standalone Revenue from Operation is as under:**

(Amount in Rs. Lakhs)

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
<b>Export</b>	-	<b>177.31</b>	<b>12.33</b>
United Arab Emirates	-	150.92	12.33
Oman	-	25.94	-
Hong Kong	-	0.04	-
<b>Domestic</b>	<b>1,213.72</b>	<b>888.46</b>	<b>2014.19</b>
Maharashtra	1,209.63	872.30	2014.01
Goa	-	16.02	-
Tamil Nadu	2.71	-	-
Gujarat	1.35	-	-
Uttar Pradesh	0.02	-	-
Karnataka	-	0.01	0.18
<b>Revenue from Operations</b>	<b>1,213.72</b>	<b>1,065.78</b>	<b>2026.53</b>

**Financial Snapshot of our Company as per our Restated Financial Statements is as under:**

(Amount in Rs. Lakhs)



**Product wise break-up of our Standalone Revenue from Operation is as under:**

(Amount in Rs. Lakhs)

Particulars	F.Y. 2015-16	F.Y 2016-17	F.Y. 2017-18
VDP	406.26	148.42	799.03
CCTV	41.19	86.38	697.43
Home Automation System	315.80	11.03	160.28
Other Products	309.32	263.42	137.22
Annual Maintenance Charges	14.76	23.06	79.57
Access Control System	15.43	2.78	69.59
Telecom (including exports)	60.03	410.90	41.49
Other Security Products	12.43	104.70	20.94
Cabling/wiring	38.47	15.11	16.65
Fire Alarm System	-	-	4.29
Hajj Kit	-	-	0.04
<b>Revenue from Operations</b>	<b>1,213.72</b>	<b>1,065.78</b>	<b>2,026.53</b>

**OUR PRODUCTS:**

Our Company offers a wide range of products which caters not only to B2B segment but also B2C segment:

**Video Door Phone**

Video Door Phone (VDP) is a Visitor Monitoring system used to manage video calls made at the entrance to a building/flat/apartment/workplace with access controlled by audio-visual communication between the inside and outside. Our Company deals in VDP as a distributor for foreign companies, such as, Commax & Kocom in past and currently Fermax. Furthering our experience and knowledge in the field, we have launched VDP under our own brand names, “Oynx” and “Inok”.



**Home Automation Systems**

An automation device which controls the function of home, such as, lights, curtain, fans, Air conditioners, etc. from anywhere using a remote control or a smart device. This system can be installed wired/wireless at places like, home, offices among others. Our Company sells these products under its own brand name of “eHomes” apart from being a distributor of different companies.



### Intrusion Alarm System

These are electronic alarms designed to alert the user of any danger in case of unauthorised intrusion on their premises. These devices gives an alert message / communication to the owner's mobile number.



### CCTV Systems

CCTV (closed-circuit television) is a surveillance system comprising of indoor & outdoor cameras along with recorder & monitor in analog /IP technology. Our Company deals in CCTV as distributor for brands like BOSCH, Hikvision, etc.

#### CCTV Solutions:

- IP Cameras
- HD cameras
- Outdoor Cameras
- Indoor cameras
- PTZ camera
- Dome camera
- C mount camera
- DVR, NVR



### Access Controls

Access control is a way of limiting access to a system or to physical or virtual resources. In computing, access control is a process by which users are granted access and certain privileges to systems, resources or information, giving time attendance facility.



### Fire Alarm Systems

A fire alarm system has a number of devices working together to detect and warn people through visual and audio appliances when smoke, fire, carbon monoxide or other emergencies are present. These alarms may be activated automatically from smoke detectors, and heat detectors or may also be activated via manual fire alarm activation devices such as manual call points or pull stations. Alarms can be either motorized bells or wall mountable sounders or horns.





### Fibre to the Home (FTTH)

Large residential complexes requires fibre cable connectivity which serves as a single line of connection for various services such as Video, Broadband Internet and Direct to Home. This avoids the need of installation of fibre cables for each Internet Service Provider (ISPs) and they can use our Fibre cable as their network connection. Our Company has pioneered in Maharashtra by installing fibre cables in many large residential projects.



### DEVELOPED PRODUCTS:

#### Savior

It is an in-house developed small product with a view of safety and security of senior citizen and children which can be wore as a wrist-watch or as a locket chain. Emergency contact detail can be saved in the device which can be reached to by just pressing the dedicated button out of the 3 buttons in the device. These products are designed with ability of audio conversation with the device holder and emergency contact person. Also, with an option of in-built camera in the device, emergency contact person will be able to get a snapshot of the location device holder. We are further developing this product further to provide exact location of the person which will assist in avoiding any major incident or assist in timely help.



#### ArmHer

Innovative has in-house developed product, ArmHer, an innovative product addresses the safety need of our women segment. This device is small and can be attached anywhere avoiding the requirement to reach a mobile phone at a time of emergency or incident. The product comes with host of features such as, last location, voice recording, SOS call among others. With press of a single button, communication reaches to all the emergency contact details with the GPS location of the person. The product was launched by Mrs. Amruta Fadnavis and has been widely praised and accepted. Commercial launch of the product is yet to follow.

**WHAT IS ArmHer :** It is a small Panic switch, very convenient to carry like a keychain and a must for every women . The user will download the free app available on her smart phone. The switch connects to her smart phone via bluetooth.

**HOW IT WORKS:** In case of a panic situation, the girl presses the switch without touching the smart phone, this sends 5 sms & 5 mails to her preselected family members giving a message " help me" , date, time & the google map location of the girl.

**ICICI Control Room:** Simultaneously the message and the mail will be sent to ICICI control room giving the date, time & the google map location of the girl in trouble .

**Chief Minister of Maharashtra Shri Devendra Fadnavis' wife Mrs ANRUTA FADNAVIS launches 'ArmHer'**

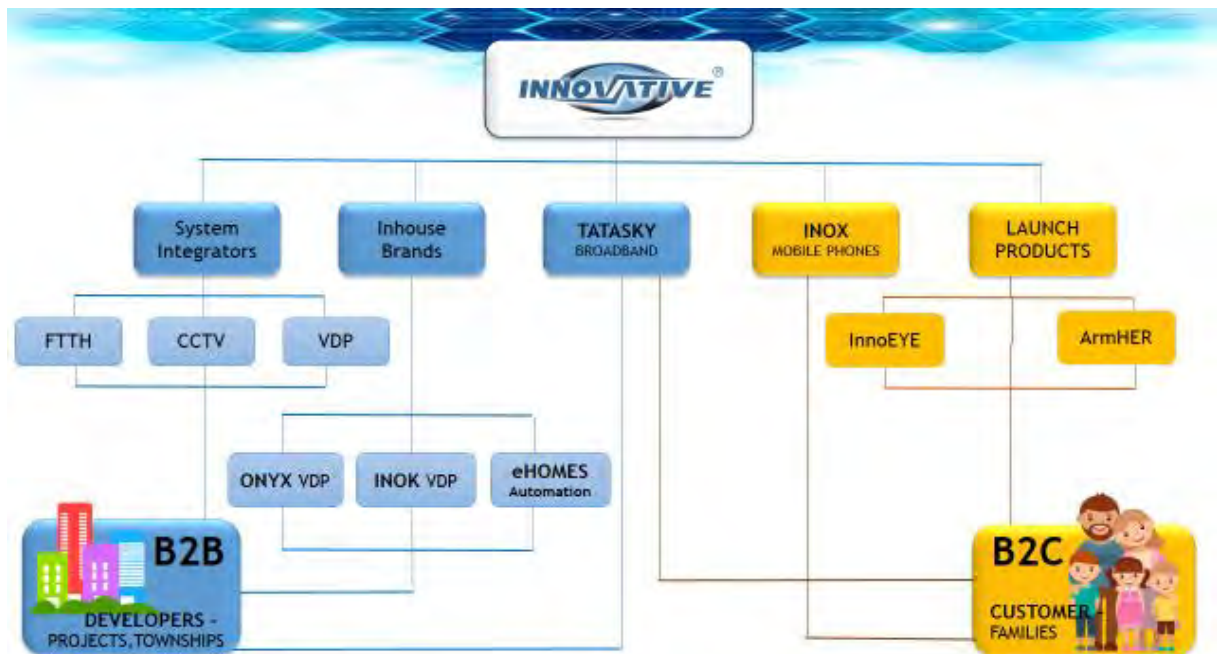
**INNOVATIVE**

**Inoyo Mobiles**

To cater to B2C segment, our Company acknowledged the importance of addressing the need of masses. Basic feature mobile phones is widely accepted by people in Tier-2 and Tier-3 cities. It being a cost-effective product, demand for basic features mobile phones is high and increasing on YOY basis. Our Company has currently launched 3 basic features mobile phones under "inoyo" brand. Orders for 8 Inoyo Models are already placed by the customers and it is in the process of manufacturing.



**OUR BUSINESS STRUCTURE:**



**OUR EXPERTISE:**

**Consultation:**

Here we enter the picture as a consultant to help design an electronic security system. Innovative has two decades of experience in the security alarms, access control, fire detection & suppression, CCTV, explosive detection and monitoring facilities.

Innovative also provides technical security consulting services to private residential complexes that are considering the installation of close circuit television (CCTV) cameras and other security systems.

**These consulting services include:**

- Evaluation of CCTV software and hardware.
- Selection of network infrastructure including routers, switches, and network management software
- Selection of secondary hardware for managing the CCTV system. These devices include servers for managing digital camera streams, network storage for archiving video, and workstation PCs for viewing and forensic research.
- Providing insight to next generation systems such as video analytics so that the CCTV system becomes a proactive system rather than just an active system.

**Designing & installation:**

Designing an optimum solution as per the client need and budget is one of the most important parts of security system. Innovative serves its clients with a properly designed security system, installed to the quality standards and complete within the set time frame and budget mutually agreed upon.

**After Sale Services:**

Innovative always strives to provide satisfactory after Sales Services for all low-voltage systems and related products. A team of qualified and experienced professionals and a training center for providing technologically updated manpower to maintain system of any make and model. In addition to this we have an effective complaint management system, where complaints would be promptly attended.

**AWARDS, CERTIFICATES AND RECOGNITIONS:**



**OUR COMPETITIVE STRENGTHS:**

## COMPETITIVE STRENGTHS

- **Experienced Management and employee**
- **Quality of after sales service**
- **Wide range of products and services**
- **Evolving with technological changes**

### 1. Experienced Management

We have an experienced management with our promoters having more than 20 years' experience in the Integrated System and Electronics Security Systems business. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. Our management has developed cordial relationships with suppliers and customers and has woven a strong clientele network for us over the years. We also have employed people in different areas of work who have required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

### 2. Quality of after-sales Service

Our Company believes that quality of service decides its future. The growth of our organization is directly related to the quality of our services. Our Company attempts to provide qualitative service before sale and after sales at competitive prices. We are specific about the quality of services provided by us and take adequate measures to maintain good quality levels.

### 3. Wide Range of Products and Services

Our Company deals in varied services. Our diversified services help us to cater different spectrum of clients which also increases our client base. Our services include IP CCTV & Recording Solutions, Networking (Wired & Wireless) & Security Solutions, Fire Detection Systems, Access Control Systems, FTTH, etc. All these services include services of Consultation, Designing and Installation and after sales services. Our Company believes in providing customer specific solutions and possess the technical expertise and resources to design and serve customers requirements.

### 4. Evolving with technological changes

The only way to sustain in the industry is to keep innovating, reinventing and keeping up pace with changing technology trends. We have been able to deliver our offerings as per the industry trends and introducing services as per latest technology. Our Company constantly endeavors to develop, design and offer services keeping in mind the technological requirements of the customers. Technology up-gradation is an important aspect which a company like ours always ensures not only for survival in the competitive market but also be the best at what we do.

## OUR BUSINESS STRATEGY:

### Mission

Innovative strives to provide to every law-abiding citizen peace of mind that comes through the feeling of security, knowing that they have the best safety of all kinds, physical, health & hygiene, environmental, and so on, that technology and its associated services can provide. Everything we do reflects this mission.

### Vision

Innovative's vision is to be the best-known and the most recognized brand for providing: very high quality and innovative security products; highly customized security solutions; friendly, courteous, and efficient service to our customers, with absolutely minimal inconvenience to them.

## Business Strategies

- Launch of Developed Products
- Focus on R&D
- Enhanced marketing activity
- Strengthen our after sales service
- Growing our existing client relationships
- Widening our range of services

### 1. Launch of Developed Products

Our Company has developed few innovative products, like, ArmHer and Savior, which serves the masses addressing the need of safety and security of senior citizen, children and women. These products are nominally priced and are useful with advanced features. They are being catered into a sensitive segment, acceptance of the products are expected to be wide. Further, our Company has just launched Inoyo mobile phones in a small manner by supplying limited number of quantity in its initial phase. However, we plan to aggressively introduce this product with newer models & Smart Phones into the market to cater the growing demands from Tier-2 and Tier-3 cities.

### 2. Focus on Research and Development

It is our Company's continuous endeavor to source & innovate our offerings since our inception which is validated by our innovative products. We shall continue to focus on innovating our offerings and giving shape to new ideas. To have a competitive edge over the competitors and a vision to provide the customer with the best possible solutions, we shall continue to focus on our future sourcing & innovative ideas. This will help us expanding our product portfolio required to become a global-level company.

### 3. Enhanced marketing activity

As we have developed products which are ready to introduce in the market, we believe aggressive marketing activity is essential for timely acceptance and success of the products. Further, since our products offer a service, traditional marketing is not the method which we will be following. Our Company plans to have an interactive marketing activity with road-shows and events online sales, which will not only market our products but also give a real-experience to our prospective customer about the functioning of the product. In our home security solutions, developing our brand image is quite essential to market our services and solutions. We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

### 4. Strengthen our after-sales service

We are growing in terms of projects handled as well as revenues earned. This success is owing to our innovative offerings coupled with our strong after-sales services. Owing to our after sales service, we are preferred by many developers across Maharashtra as a system integrator for security equipment solution. We just do not retail the products since we understand that after sales services are most important factor for continuing the relationship and generating revenue from AMC service. We strive to continue developing and strengthening our after sales services which will act as a potential barrier to new entrants.

## 5. Growing our existing client relationships

Our business is customer oriented and we always strive to maintain good relationships with the customers. We believe that there are significant opportunities for additional growth within our existing client base. We intend to leverage our domain expertise, understanding of our target industry and close relationships with our clients to expand the scope of current services as well as provide services in new areas and businesses.

## 6. Widening our range of Services

Our Company deals in varied services as on date. Our services include IP CCTV & Recording Solutions, Networking (Wired & Wireless) & Security Solutions, Fire Detection Systems, Access Control Systems & Auto Gates, FTTH, Public Address Systems, Building Management Systems, etc. All these services include services of Consultation, Designing and Installation and after sales services. Our Company believes in providing customer specific solutions and possesses the technical expertise and resources to design and serve customers requirements. We aim to widen the scope of our services on continuous basis.

### SWOT ANALYSIS:

#### Strengths

- **Experienced Management** – With experience of more than 2 decades in the industry, our Company has experienced management and promoter team which lead the operational decisions for the Company.
- **Wide range of innovative offerings** – Our focus on introducing innovative products since our inception It has aided us to grow ourselves over the past 2 decades. We continue to add newer innovative products in the market expanding our product portfolio.
- **Strong client base** – We have been associated with large developers in Maharashtra who executes high-end residential projects and complexes. Such clientele has aided us to keep on adding newer projects under our basket with such clients.

#### Weakness

- **Limited marketing activity** – Our Company has already developed few of the products which are innovative and of wide-use, however, owing to our limited marketing activity we were unable to commercially launch these products in the market.
- **Limited geographical presence** – Since our inception, we have limited our operations to Maharashtra region for all our projects. Due to limited staff availability with expertise, we have not been able to expand our service and offerings to other states within the country.

#### Opportunities

- **Acceptance of security products in residential projects** – With growing lifestyle and luxury along with increased affordability of the security products, many large projects have started offering security services to the home-buyers. Such service offering increases demand for our products and services which have been into the business for more than 2 decades.
- **Increased focus on women, children safety across the country** – Unfortunate happenings over past few years have led to realisation of increased focus on safety and security of our citizens, primarily, women and children. Innovative products serving the need of the country with a nominal price tag will increase the demand of our products.

#### Threats

- **Competition from established players** – There are few established players in the organised sector which are larger in size and experience in security service and equipment business. Their market reach and network are stronger than our Company which may possess a potential threat to our business.
- **Under-performance of the security equipment** – Much of our success depends on the quality of our products and the level of services we provide. Buyers expect durability of the products which are hassle-free requiring less maintenance. Under-performance of security equipment will adversely impact our brand image and hence our market acceptability.

- **Growing demand of smart-phones** – We have launched basic feature mobiles under the brand name of Inoyo to cater the Tier-2 and Tier-3 markets. However, with growing acceptance and demand of smart phones, our product may not be successful enough to bring an operational profit.

#### **COLLABORATIONS/TIE UPS/JOINT VENTURES:**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any technical or other collaboration/ tie ups/ joint ventures.

#### **CAPACITY AND CAPACITY UTILIZATION:**

Our Company majorly deals into procuring of security equipments from our trading partners or our outsourced manufacturing activity, subsequent to that, we offer turnkey solutions to the residential complexes.

Such activities of our business do not require any specific capacity details. Much of our capacity is linked with the human resources available with us to execute the projects on timely basis. For details on our human resources, refer section titled “Human Resource” in Page no. 143 of this Draft Red Herring Prospectus.

#### **COMPETITION:**

Everyone wants to live an easy, comfortable, safe and secure life. Technology can help us to create such a life. We all are aware that safety and security threat is prevailing all over the world and has increased at an alarming level. We face competition from organized and unorganized sectors with many small and medium-sized companies and entities. Despite of unorganized players, organised sectors accounts for majority of the Electronics and security system Integration Industry market size. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

Since our business model is providing security service as a turnkey solution, we also use products from other manufacturers which are into manufacturing of security equipment, as per the requirement of the client, to provide our service.

#### **EXPORT AND EXPORT OBLIGATION:**

As on date of this Draft Red Herring Prospectus, Our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

#### **END USERS:**

Our products and services cater to the domestic markets as well as foreign markets and are installed at various residential and commercial complexes. Further, they are also used at apartments for a tighter family security.

Our Security in Open Systems (SOS) safety devices are aimed to meet the safety requirement of women and children.

Mobile phones are launched keeping in view to cater the demand of Tier-III demography.

List of Top 5 customers as on 31<sup>st</sup>March, 2018

(Amount in Rs. Lakhs)

S. No.	Customer Name	Amount	Percentage to Total Sales
1	(Nirmal Trading Private Limited) Aptestha Trading	324.51	16.01%
2	Trio Mercantile & Trading Limited	305.47	15.07%
3	Vimkan Enterprises Private Limited	233.23	11.51%
4	Sinner Energy India Limited	228.78	11.29%
5	Bevel Designs	141.07	6.96%
	<b>Total</b>	<b>2026.39</b>	<b>60.84%</b>

#### **PLANT & MACHINERY:**

As the company is engaged in the trading business of System Integration, Supply of Security products as for the same company doesn't requires any Plant and Machinery except general office equipment's.

## UTILITIES & INFRASTRUCTURE FACILITIES:

### Infrastructure Facilities

Our **registered office** is situated at Goregaon, Mumbai is well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly. We also have data centre and call centre in our office to serve our customers.

It is equipped with requisite utilities and facilities including the following:

**Power** - Our Company meets its basic power requirements by purchasing electricity from Reliance Energy at its office.

**Water** - Adequate arrangements with respect to water requirements for drinking purpose are made at the offices of the Company.

Further, our warehouse is equipped with basic facilities required for day to day operations.

## HUMAN RESOURCES:

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on August 31, 2018 we have 67 employees, who look after our business operations, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth.

Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## MARKETING:

The efficiency of the marketing and service network is critical success of our Company. Our success lies in the strength of our customer loyalty for our wide range of services at competitive prices. Our team through their experience and good rapport with the clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company.

We believe our relationship with the clients is strong and established as we receive repeated orders. At present, we have a marketing team who looks after our client relations and business development. Further we also have our own website displaying and offering our variety of products and Services thereby supporting in promotion of our brand and products. We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenges so as to scale new heights.

## INSURANCE:

Our insurance policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained. We maintain insurance policies in respect of our business operations and products & Services.

These Policies insure our assets against standard fire and special perils and workmen compensation, the details are as under:




Policy No.	Insurance type	Insurer	Asset Insured	Sum Assured	Period From	Period To
OG-18-1904-4010-00000243	Burglary Insurance	Bajaj Allianz General Insurance Co. Ltd.	Stock	Rs. 1,000 Lakhs	January 05, 2018	January 04, 2019




Policy No.	Insurance type	Insurer	Asset Insured	Sum Assured	Period From	Period To
OG-18-1904-4003-00000087	Standard Fire & Special Perils Policy	Bajaj Allianz General Insurance Co. Ltd.	Stock	Rs. 1,000 Lakhs	January 05, 2018	January 04, 2019
110531829140000136	Group Personal Accident Insurance	Reliance General Insurance	Employees	Rs. 415 Lakhs	February 1, 2018	January 31, 2019
OG-19-1904-4093-00000092	Office Package Policy	Bajaj Allianz General Insurance Co. Ltd.	Building, Burglary, Baggage, etc.	Rs. 182.00 Lakhs	August 31, 2018	August 30, 2019
2250013053	Workmen Compensation	Tata AIG General Insurance Company Limitd	Employees	Rs. 40.64 Lakhs	July 26, 2018	July 25, 2019

#### INTELLECTUAL PROPERTY RIGHTS:

**TRADEMARKS:** We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Trade mark Type	Class	Applicant	Applicati on No.	Date of Applicatio n	Validit y/ Renew al	Registrat ion Status
1.		Device	9	Innovative Ideals and Services (India) Private Limited	1486918	September 13, 2006	Septem ber 13, 2016	Registere d
2.		Device	9	Innovative Ideals and Services (India) Limited	3669343	November 03, 2017	Novem ber 03, 2027	Registere d
3.		Device	9	Innovative Ideals and Services (India) Private Limited	2769832	July 8, 2014	NA	Objected
4.	INNOVOX	Device	9	Innovative Ideals and Services	2769831	July 8, 2014	NA	Objected

				(India) Private Limited				
5.		Device	9	Innovative Ideals and Services (India) Private Limited	2769829	July 8, 2014	NA	Objected
6.		Device	9	Innovative Ideals and Services (India) Private Limited	2769833	July 8, 2014	NA	Abandoned
7.	INNOVATIVE HOMES	Device	9	Innovative Ideals and Services (India) Private Limited	2769830	July 8, 2014	NA	Opposed
8.	I BELL	Device	42	Innovative Ideals and Services (India) Private Limited	2825166	October 12, 2014	NA	Objected
9.		Device	42	Innovative Ideals and Services (India) Private Limited	2825167	October 12, 2014	NA	Abandoned
10.	ARMHER	Word	9	Innovative Ideals and Services (India) Private Limited	2888838	January 23, 2015	NA	Accepted & advertised
11.		Device	9	Innovative Ideals and Services (India) Private Limited	2888839	January 23, 2015	NA	Objected
12.	FIGHT MOLESTATION WORD	Device	9	Innovative Ideals and Services (India) Private	2888840	January 23, 2015	NA	Objected

				Limited				
13.		Device	9	Innovative Ideals and Services (India) Limited	3684456	November 22, 2017	November 22, 2027	Registered
14.	SAVIOR SOS CALL TRACK	Word	9	Innovative Ideals and Services (India) Limited	3713880	December 28, 2017	NA	Objected
15.	APUNKAS HOP	Word	35	Innovative Ideals and Services (India) Limited	3711820	December 26, 2017	NA	Objected

#### PATENT

Sr. No.	Patent	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
1.	System for Pharma, healthcare, patient data management and methods thereof	Shaikh, Maqsood [Promoter of our Company]	2175/MUM/2014	July 4, 2014	NA	Abandoned under Section 9 (1) of the Patent Act, 1970.

Company confirms that no other applications have been made by the Company nor has it registered any type of intellectual property including trademark/copyrights/patents etc.

#### LAND AND PROPERTY:

We have our properties located at following:

##### Owned Properties:

Sr. No.	Address of the Property	Area of the property	Usage
1.	E-202, Skypark, Nr. Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregaon (W), Mumbai, Maharashtra, India	1,313 sq. ft.	Registered Office

##### Leased Properties:

Sr. No.	Name of the Licensor	Name of the Licensee	Location of Property	Area of the Property	Consideration	Period of Agreement	Usages
1.	Pratima Thakkar	Innovative Ideals & Services	Survey No. 74, Paras Complex, Kolkhe	600 sq. ft.	Rs. 9,600 p.m. with escalation clause every	November 01, 2017 to October	Warehouse

Sr. No .	Name of the Licensor	Name of the Licensee	Location of Property	Area of the Property	Consideration	Period of Agreement	Usages
		(I) Ltd.	Village, Near Phalaspata, Panvel, Maharashtra, Mumbai		year + Security Deposit Rs. 50,000	31, 2022	
2.	Anupama Chaurasiya	Innovative Ideals & Services (I) Ltd.	Shop No. 4, Ground Floor, Khatri Enclave, Behram Baug, Jogeshwari - 4001012	300 sq. ft.	Rs. 20,000 p.m. with escalation clause year + Security Deposit Rs. 50,400	June 01, 2018 to February 28, 2021	Warehouse

## **KEY INDUSTRY REGULATIONS AND POLICIES**

Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of supplying of products for security systems and home automation and home networking systems/ trading of telecom and securities products industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

### **APPROVALS**

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 261 of this Draft Red Herring Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

##### **Industrial Policy of Relevant State**

##### **The Maharashtra Industrial Policy 2013**

The Maharashtra Industrial Policy 2013 has given a special attention to encourage small scale industries. For financial stability of MSMEs (Micro Small and Medium Enterprises), the state government will provide fiscal incentives and support to less developed areas, such as 75% reimbursement of cost of water and energy admissible. There is 100% stamp duty exemption within investment period for acquiring land and for term loan purposes. Exemption from payment of electricity duty to eligible new units is also available in certain cases. Power tariff of INR 1/- per unit consumed is available for eligible new units located in Gondia, Kinvat, Chandrapur, etc. Financial incentives are available in the form of Industrial Promotion Subsidy (IPS), Interest Subsidy, Electricity duty exemption, Waiver of Stamp Duty, Power Tariff Subsidy, etc. Up to 70 lacs can be utilized in the various ways. The Industrial Promotion Subsidy, which is receivable in cash as a specific percentage of net VAT and CST is also provided. Existing units can also be benefited under this scheme provided that they make 1) minimum investment in capital assets of 25%; 2) same increase in production capacity; and 3) minimum 10% increase in employment.

##### **Anti-Trust Laws**

## **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act 1956 and The Companies Act, 2013**

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors' payable by the companies is under Part II of the said schedule.

## **EMPLOYMENT AND LABOUR LAWS**

### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Employees' State Insurance Act, 1948 (the "ESI Act")**

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

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

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

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

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

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

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

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

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment



## **Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (“MSEA”)**

MSEA is an Act to provide for the regulation of conditions of employment and other conditions of service of workers employed in shops, residential hotels, restaurants, eating houses, theatres, other places of public amusement or entertainment and other establishments. The provisions of MSEA, except section 7, apply to the establishments employing ten or more workers and the provisions of section 7 apply to the establishments employing less than ten workers.

MSEA provides for the appointment of a Chief Facilitator to advise the employers and workers and provide them such information as may be considered necessary for complying with the provisions of this Act effectively and to inspect the establishment in accordance with the scheme for inspection.

Registration of establishments under MSEA, can be done either manually or in electronic format by submitting the prescribed application to the Facilitator. The Facilitator shall, register the establishment in the register of establishments and shall issue online, in the prescribed form, a registration certificate along with the Labour Identification Number (LIN) to the employer. The registration certificate shall be valid for such period as may be requested by the applicant and specified therein subject to a maximum period of ten years. However, nothing contained hereinabove applies to the establishments already having valid registration or renewal under the Maharashtra Shops and Establishments Act until expiry of their registration or renewal.

MSEA makes provisions for the daily and weekly hours of work in the establishment and interval for rest. It permits the worker to accumulate earned leave upto a maximum of 45 days and also encash the leave in excess of 45 days subject to the provisions of the act.

MSEA makes provision for the employer of an establishment to furnish to every worker an identity card.

MSEA provides for welfare measures such as first-aid facilities, wholesome drinking water, sufficient latrine and urinal for men and women, crèche in an establishment wherein 50 or more workers are employed and canteen wherein 100 or more workers are employed.

The employer of an establishment shall furnish an annual return, in such a form and in such manner (including electronic form), to such authority as is prescribed. On and from the date of commencement of this Act, the Maharashtra Shops and Establishments Act, stands repealed.

## **TAX RELATED LEGISLATIONS**

### **Value Added Tax (“VAT”)**

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

### **Maharashtra Value Added Tax Act, 2002**

As per the provisions of MVAT, a dealer is liable to pay tax on the basis of turnover of sales within the State. The term dealer has been defined u/s. 2(8) of the Act. It includes all person or persons who buys or sells goods in the State whether for commission, remuneration or otherwise in the course of their business or in connection with or incidental to or consequential to engagement in such business. The term includes a Broker, Commission Agent, Auctioneer, Public Charitable Trusts, Clubs, Association of Persons, Departments of Union Government and State Government, Customs, Port Trusts, Railways, Insurance & Financial Corporations, Transport Corporations, Local authorities, Shipping and Construction Companies, Airlines, Advertising Agencies and also any corporation, company, body or authority, which is owned, constituted or subject to administrative control of the Central Government, any State Government or any local authority.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25<sup>th</sup> of the month immediately following the half year to which the return relates.

### **Central Sales Tax Act, 1956 ("CST")**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

### **Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The State of Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh have their own professional tax structure and tax is levied on every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in state is liable to pay the profession tax at the specified rate provided that no tax shall be payable by the person who have attained sixty five year of age and handicapped person with more than 40% disability or parent of a physically disabled or mentally retarded child. The tax payable under the State Acts as mentioned above by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **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 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.

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

#### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

#### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

#### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

### **OTHER LAWS:**

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

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

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") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. 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

### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("**RBI**") also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment in the sector in which our Company operates out of which upto 49% is automatic route and beyond 49% is government route. The Company will have to obtain approval from Department of Industrial Policy and Promotion for investment beyond 49% and follow procedure as FDI Policy 2017 and RBI Regulations.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY:

Our Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed by the members in Extra-Ordinary General Meeting held on August 30, 2017 and the name of our Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901.

Subsequently, our Company has acquired the ongoing sole proprietorship business of “M/s. Innovative Solutions” i.e. Sole Proprietorship Concern of one of our Promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017 and ongoing sole proprietorship business of “M/s. Concept N Designs” i.e. Sole Proprietorship Concern of one of our promoters Tazyeen Shaikh vide Business Acquisition Agreement dated September 29, 2017. Consequently the ongoing Businesses of these proprietorship concerns were merged into “Innovative Ideals and Services (India) Limited”.

Dabir Shaikh, Maqsood Shaikh and Tazyeen Shaikh were the initial subscribers to the Memorandum of Association of our Company.

Maqsood Shaikh and Tazyeen Shaikh are the promoters of Our Company.

We are providing services of System Integration for security, safety and building automation and installation of various electronics systems. We provide a wide range of services with respect to security and electronic systems, such as, Video Door Phone, Audio Door Phone, Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products.

For information on our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “Our Business”, “Financial Statements as Restated”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Government and Other Statutory Approvals” beginning on page 131, 185, 234 and 261 respectively of this Draft Red Herring Prospectus.

### CHANGES IN OUR REGISTERED OFFICE:

At the time of Incorporation, registered office of our Company was situated at Plot No. 584, Adarsh Nagar, New Link Road, Jogeshwari (West), Mumbai – 400 102, Maharashtra, India. The registered office of our company was then shifted to:

Date	From	To	Reason
April 01, 2004	Plot No. 584, Adarsh Nagar, New Link Road, Jogeshwari (West), Mumbai – 400 102, Maharashtra, India.	Building No. 33, 1 <sup>st</sup> floor, Gaothan No-2, S.V. Road, Opp. Andheri Post Office, Andheri (West), Mumbai, 400058, Maharashtra, India.	Administrative convenience
March 25, 2011	Building No. 33, 1 <sup>st</sup> floor, Gatohanno-2, S.V. Road, Opp. Andheri Post Office, Andheri (West), Mumbai, 400058, Maharashtra, India.	E-202, 2 <sup>nd</sup> floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (West), Mumbai, 400104, Maharashtra, India.	Administrative convenience

**KEY EVENTS AND MILESTONES:**

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

YEAR	EVENTS
2000	Incorporation of our Company as “Innovative Ideals & Services (India) Private Limited”.
2011	Awarded for Innovation in Security.
2012	Awarded for Innovation in technology for India’s first wireless automation brand.
2013	Awarded Gold Medal for contribution in surveillance by Design Wall of Fame.
2014	Awarded for Innovation in women security.
2017	Conversion of Private Limited Company Into Public Limited Company.
	Acquisition of undertaking of “M/s. Innovative Solutions” vide Business Acquisition Agreement dated September 23, 2017.
	Acquisition of undertaking of “M/s. Concept N Designs” vide Business Acquisition Agreement dated September 29, 2017.
	Best SME – Security Solutions by Navbharat.
2018	Awarded for Qualifying amongst 100 SMEs in India.
	Authorised distributorship of FERMAX Electronica S.A.U. for their products FERMAX Audio/Video Door Entry System in the territory of India
	An agreement with Tata Sky Broadband Private Limited for provision of broadband services to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune
	An agreement with Tata Sky Limited for provision of Direct to Home (DTH) services as an authorised distributor of Tata Sky to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune

**MAIN OBJECTS OF OUR COMPANY:**

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

- To do business of traders, importers and exporters of Telecom, Fax Machines, Telephone Instruments, Data Transmission Equipments, Wireless Equipments, Mobile Phones, Pagers, Closed circuit TV, Access Control, Video Door Phones & Fire Alarm Systems, Intrusion Alarm System, Smart Card and Remote monitoring Systems.*
- To undertake and carry on, whether in India or elsewhere, the business of trading, dealing, import, export, sale, distribution of computer hardware, system integration, software solutions, IT Infrastructure, Electrical, Power solutions, CCTV & Surveillance, other IT Infra security systems, fibre optics cables, Consulting and Trunkey projects Execution, Supply & Management, Maintenance AMC, Such as, but without prejudice to generality of the forgoing, telecom, data com, system integration and networking, electronic media, ERP, e – commerce, projectors, screen, Communication Solution (Data/ Voice/Video), electronic communication and trading, internet, intranet, client server technology, and web or internet related techniques, solutions or products, and to distribute and publish electronic information, products and services in all their branches and of any kind, nature and description, and further to establish, run and /or manage, whether in India or abroad, data processing, data mining, data storage, data extraction and transcription centers, service tool regarding bulk SMS, to develop and expertise and impart education in the field of information technology to provide consulting services that address business process engineering, information technology, strategies and the design and implementation of information technology solution for industry, to provide all related, services including but not limited to digitizing, scanning, software development training and consulting to manufacture develop, import, export, buy, sell, and deal in all configuration of computer,*

*communication and information technology equipment in all its branches including hardware, software tools, accessories, peripherals, Repair, Services, Purchase, and sale of Mobile Phones, Online sale of imported good.*

3. *To provide Dark Fibres, Right of way, Duct Spaces, Towers of Lease or on rent or outright sale basis to the concerned Entity, or to the persons which is prescribed under any prevalent Laws, Rules and Regulations for the time being in force on mutually agreed Terms and Conditions.*

#### **AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:**

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

<b>DATE OF AGM / EGM</b>	<b>CHANGES</b>
January 21, 2008	Increase of Authorised Capital of Company from Rs. 10,00,000 consisting of 1,00,000 equity shares of Rs. 10/- each to Rs. 40,00,000 consisting of 4,00,000 equity shares of Rs. 10/- each.
December 21, 2009	Increase of Authorised Capital of Company from Rs. 40,00,000 consisting of 4,00,000 equity shares of Rs. 10/- each to Rs. 60,00,000 consisting of 6,00,000 equity shares of Rs. 10/- each.
March 17, 2011	Increase of Authorised Capital of Company from Rs. 60,00,000 consisting of 6,00,000 equity shares of Rs. 10/- each to Rs. 3,00,00,000 consisting of 30,00,000 equity shares of Rs. 10/- each.
July 18, 2017	Increase of Authorised Capital of Company from Rs. 3,00,00,000 consisting of 30,00,000 equity shares of Rs. 10/- each to Rs. 8,00,00,000 consisting of 80,00,000 equity shares of Rs. 10/- each, Adopted new set of MOA as per Companies Act, 2013
August 30, 2017	Change in Name Clause of the company pursuant to conversion of Company from Private Limited Company to Public Limited Company.
September 25, 2017	Increase of Authorised Capital of Company from Rs. 8,00,00,000 consisting of 80,00,000 equity shares of Rs. 10/- each to Rs. 13,50,00,000 consisting of 1,35,00,000 equity shares of Rs. 10/- each.
October 25, 2017	Amendment in the Object Clause of Memorandum of Association by inserting clause III (A) (2) and clause III (A) (3) as follows :  Clause III (A) (2) : <i>To undertake and carry on, whether in India or elsewhere, the business of trading, dealing, import, export, sale, distribution of computer hardware, system integration, software solutions, IT Infrastructure, Electrical, Power solutions, CCTV &amp; Surveillance, other IT Infra security systems, fibre optics cables, Consulting and Trunkey projects Execution, Supply &amp; Management, Maintenance AMC, Such as, but without prejudice to generality of the forgoing, telecom, data com, system integration and networking, electronic media, ERP, e – commerce, projectors, screen, Communication Solution (Data/ Voice/Video), electronic communication and trading, internet, intranet, client server technology, and web or internet related techniques, solutions or products, and to distribute and publish electronic information, products and services in all their branches and of any kind, nature and description, and further to establish, run and /or manage, whether in India or abroad, data processing, data mining, data storage, data extraction and transcription centers, service tool regarding bulk SMS, to develop and expertise and impart education in the field of information technology to provide consulting services that address business process engineering, information technology, strategies and the design and implementation of information technology solution for industry, to provide all related, services including but not limited to digitizing, scanning, software development training and consulting to manufacture develop, import, export, buy, sell, and deal in all configuration of computer, communication and information technology equipment in all its branches including hardware, software tools,</i>



DATE OF AGM / EGM	CHANGES
	<p><i>accessories, peripherals, Repair, Services, Purchase, and sale of Mobile Phones, Online sale of imported good.</i></p> <p>Clause III (A) (3) : <i>To provide Dark Fibres, Right of way, Duct Spaces, Towers of Lease or on rent or outright sale basis to the concerned Entity, or to the persons which is prescribed under any prevalent Laws, Rules and Regulations for the time being in force on mutually agreed Terms and Conditions.</i></p>

#### **COUNTRY WISE EXPORT SALES:**

Amount (Rs. In Lakhs)

Name of the Country	F.Y. 2016 – 17	F.Y. 2017-18.
United Arab Emirates	150.92	12.33
Oman	25.94	-
Hong Kong	0.04	-

#### **OUR HOLDING / SUBSIDIARY COMPANY:**

Our Company has no holding and subsidiary company.

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT:**

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Statements as Restated*” and “*Capital Structure*” beginning on page 185 and 87, respectively, of this Draft Red Herring Prospectus.

#### **REVALUATION OF ASSETS:**

Our Company has not revalued its assets since its incorporation.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS:**

There has been no change in the activities being carried out by our Company in the last five years.

#### **INJUNCTIONS OR RESTRAINING ORDERS:**

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

#### **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY:**

Our Company has not merged/amalgamated itself since incorporation. However, our Company has acquired the ongoing business of “M/s.Innovative Solutions” i.e. proprietorship concern of one of our promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017 and ongoing sole proprietorship business of “M/s. Concept N Design” i.e. Sole Proprietorship Concern of one of our promoters Tazyeen Shaikh vide Business Acquisition Agreement dated September 29, 2017.

#### **SHAREHOLDERS’ AGREEMENTS:**

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

#### **OTHER AGREEMENTS:**

Our Company has not entered into any agreements/ arrangements except under normal course of business of the Company, as on date of filing of this Draft Red Herring Prospectus.

#### **STRIKES AND LOCK-OUTS:**

There have been no strikes or lockouts in our Company since incorporation.

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS:**

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

**STRATEGIC PARTNERS:**

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

**CONVERSION OF LOANS INTO EQUITY SHARES:**

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Draft Red Herring Prospectus.

**FINANCIAL PARTNERS:**

As on the date of this Draft Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

**DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS:**

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

**NUMBER OF SHAREHOLDERS:**

Our Company has 42 shareholders as on date of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS:

Under our Articles of Association, Our Company is required to have not less than three (3) directors and not more than fifteen (15) directors, subject to the applicable provisions of the Companies Act 2013. Our Company currently has six (6) directors on our Board.

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

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment/ Re-appointment	Other Directorship
1.	<p><b>Name:</b> Maqsood Shaikh  <b>Age:</b> 54 Years  <b>Father's Name:</b> Dabir Ahmed Shamsuddin Shaikh  <b>Designation:</b> Managing Director  <b>Address:</b> 604/6<sup>th</sup> floor, Bhagwati Co. Op. Housing Society Plot No. 68, Versova, Yari Road, Andheri (W), Mumbai – 400061, Maharashtra, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> 3 years with effect from September 22, 2017  <b>DIN:</b> 00834754</p>	September 22, 2017	<p><b>Public Limited Company – Nil</b>  <b>Private Limited Company – Nil</b>  <b>Limited Liability Partnership – Meditek Lifecare LLP</b></p>
2.	<p><b>Name:</b> Tazyeen Shaikh  <b>Age:</b> 51 Years  <b>Husband's Name:</b> Maqsood Dabir Shaikh  <b>Designation:</b> Whole Time Director  <b>Address:</b> 604/6<sup>th</sup> floor, Bhagwati Co. Op. Housing Society Plot No. 68, Versova, Yari Road, Andheri (W), Mumbai, 400061 Maharashtra, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> 3 years with effect from September 22, 2017  <b>DIN:</b> 00834590</p>	September 22, 2017	<p><b>Public Limited Company – Nil</b>  <b>Private Limited Company – Nil</b>  <b>Limited Liability Partnership – Nil</b></p>
3.	<p><b>Name:</b> Dabir Shaikh  <b>Age:</b> 80 Years  <b>Father's Name:</b> Shamsuddin Abdul Hamid Shaikh  <b>Designation:</b> Chairman and Whole</p>	October 25, 2017	<p><b>Public Limited Company – Nil</b>  <b>Private Limited Company – Nil</b></p>

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment/ Re-appointment	Other Directorship
	<p>TimeDirector</p> <p><b>Address:</b> 10, Havana Seven Bungalows, Versova RD, D.N. Nagar, Mumbai, 400061, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 3 years with effect from October 25, 2017</p> <p><b>DIN:</b> 00643164</p>		<p><b>Limited Liability Partnership - Nil</b></p>
4.	<p><b>Name:</b> AtulVaidya</p> <p><b>Age:</b> 54 Years</p> <p><b>Father's Name:</b> Shashikumar Dwarkanath Vaidhya</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 13/4 Bageshri, Oswal Park, Pokhran Road 2, Majiwade Thane (W) 400601, Maharashtra, India.</p> <p><b>Occupation:</b> Consultant</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For the period of five years w.e.f. September 25, 2017</p> <p><b>DIN:</b>07897588</p>	September 25, 2017	<p><b>Public Limited Company – Nil</b></p> <p><b>Private Limited Company – Nil</b></p> <p><b>Limited Liability Partnership – Nil</b></p>
5.	<p><b>Name:</b> Preethi Ramesh</p> <p><b>Age:</b> 52 Years</p> <p><b>Father's Name:</b> Mulki Kulachikambala Dhanapathi</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 02/43, Godavari, Oswal Park Pokhran Road No. 2, Thane (west), 400601, Maharashtra, India</p> <p><b>Occupation:</b> Consultant</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For the period of five years w.e.f. September 25, 2017</p> <p><b>DIN:</b> 01124749</p>	September 25, 2017	<p><b>Public Limited Company – Nil</b></p> <p><b>Private Limited Company – Nil</b></p> <p><b>Limited Liability Partnership – Nil</b></p>
6.	<p><b>Name:</b> Anwar Baig</p> <p><b>Age:</b> 51 Years</p> <p><b>Father's Name:</b> Ismail Baig</p> <p><b>Designation:</b> Independent Director</p>	September 25, 2017	<p><b>Public Limited Company – Nil</b></p> <p><b>Private Limited Company – Nil</b></p>

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment/ Re-appointment	Other Directorship
	<p><b>Address:</b> 902, Marathon Galaxy 2, Off L B S Road Mulund (West), Mumbai - 400080, Maharashtra, India</p> <p><b>Occupation:</b> Consultant</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For the period of five years w.e.f. September 25, 2017</p> <p><b>DIN:</b>07897576</p>		<p><b>Limited Liability Partnership</b> – Nil</p>

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

### Maqsood Shaikh, Promoter and Managing Director

Maqsood Shaikh, aged 54 years is the Promoter and Managing Director of our Company. He has been associated with our Company since Incorporation and has been re-designated as Managing Director w.e.f September 22, 2017. He has completed his Diploma in Telecommunication Engineering from Board of Technical Examinations, Bangalore, Karnataka. He has been in the Electronic Security Industry since 1994.

### Tazyeen Shaikh, Promoter and Whole Time Director

Tazyeen Shaikh, aged 51 years is the Promoter and Whole Time Director of our Company. She has been Whole Time Director of our Company since September 22, 2017. She holds degree of Bachelor of Architecture from University of Poona. She has also completed her Post Graduate Diploma in Project Management (PGDPM) from National Institute of Construction Management And Research. She is the key person involved in defining product selection designing and placement for all the major projects.

### Dabir Shaikh, Chairman Whole Time Director

Dabir Shaikh, aged 80 years is Chairman Whole Time Director of our Company. He is Director of our Company since incorporation, designated as Chairman on September 22, 2017 and re-designated as Whole Time Director w.e.f. October 25, 2017. With his extensive experience in Administration, he provides vital inputs in the management of personnel and administrative planning.

### Atul Vaidya, Independent Director

Atul Vaidya, aged 54 years is appointed as Independent Director of our Company w.e.f. September 25, 2017. He has completed Diploma in Mechanical Engineering from Tippu Shaheed Institute of Technology (Polytechnic), Karnataka.

### Preethi Ramesh, Independent Director

Preethi Ramesh, aged 52 years is appointed as Independent Director of our Company w.e.f. September 25, 2017. She holds the degree in Bachelor of Commerce from Bangalore University.

### Anwar Baig, Independent Director

Anwar Baig, aged 51 years is appointed as Independent Director of our Company w.e.f September 25, 2017. He holds the degree in Master of Commerce from Shivaji University, Kolhapur.

## CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

1. Except as disclosed below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

Director	Other Director	Relationship
----------	----------------	--------------

Maqsood Shaikh	Tazyeen Shaikh	Spouse
	Dabir Shaikh	Son-Father
Tazyeen Shaikh	Dabir Shaikh	Daughter in law – Father in law
	Maqsood Shaikh	Spouse
Dabir Shaikh	Maqsood Shaikh	Father – Son
	Tazyeen Shaikh	Father in law – Daughter in law

- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
- The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the above mentioned Directors are on the RBI List of willful defaulters.
- Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
- None of the Promoter, 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.

#### REMUNERATION / COMPENSATION PAID TO DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2018.

Name of the Directors	Amount (in Lakhs)
Maqsood Shaikh	14.10
Tazyeen Shaikh	6.90
Dabir Shaikh	1.20

#### Compensation to our Managing Director

The Compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company.

#### Terms and conditions of employment of our Executive Directors:

##### A. Maqsood Shaikh

Maqsood Shaikh, has been designated as Managing Director vide shareholders resolution of the company held on September 25, 2017 for a term of three years w.e.f September 22, 2017 as per following remuneration and terms and conditions:

Remuneration	Rs. 24,00,000/- per annum
Term of Appointment	3 years
Bonus / Commission	As determined by Board of Directors
Perquisites, Allowance & Other Benefits	As per Company's policies

##### B. Tazyeen Shaikh

Tazyeen Shaikh, has been designated as Whole Time Director vide shareholders resolution of the company held on September 25, 2017 for a term of three years w.e.f September 22, 2017 as per following remuneration and terms and conditions:

Remuneration	Rs. 12,00,000/- per annum
Term of Appointment	3 years
Bonus / Commission	As determined by Board of Directors
Perquisites, Allowance & Other Benefits	As per Company's policies

### C. Dabir Shaikh

Dabir Shaikh is the Whole Time Director of our Company. He is Director of our Company since inception of our Company. He has designated as Whole Time Director of our company vide shareholders meeting dated October 25, 2017 for a term of three years w.e.f. October 25, 2017 as per following remuneration and terms and conditions:

Remuneration	Rs. 1,20,000/- per annum
Term of Appointment	3 years
Bonus / Commission	As determined by Board of Directors
Perquisites, Allowance & Other Benefits	As per Company's policies

#### **Terms and conditions of employment of our Independent Directors and Non-Executive Directors**

Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

#### **OTHER CONFIRMATIONS**

As on the date on this Draft Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director pursuant to bonus or profit sharing plan.

#### **SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below, no other directors have shareholding of our Company.

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

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Maqsood Shaikh	32,41,758	38.99%	[●]
2.	Tazyeen Shaikh	17,27,376	20.78%	[●]
3.	Dabir Shaikh	1,28,250	1.54%	[●]

#### **INTEREST OF DIRECTORS**

##### **Interest in promotion of our Company**

Directors of our Company, are interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled "*Our Promoter and Promoter Group*" beginning on page 177 of this Draft Red Herring Prospectus.

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

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Draft Red Herring Prospectus

##### **Interest as member of our Company**

As on date of this Draft Red Herring Prospectus, our Directors together hold 50,97,384 Equity Shares in our Company i.e. 61.31% of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

##### **Interest as a Creditor of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has not availed loans from the directors of our Company. For further details, refer to chapter titled "*Financial Indebtedness*"

and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 183 and 185 respectively of this Draft Red Herring Prospectus.

### **Interest as Director of our Company**

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 162, 185 and 87 respectively of this Draft Red Herring Prospectus, our Directors, may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

### **Interest as Key Managerial Personnel of our Company**

Maqsood Shaikh, Managing Director; Tazyeen Maqsood Shaikh, Whole time director and Dabir Shaikh, Chairman Whole Time Director are the Key Managerial Personnel of the Company and may be deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus.

### **Interest in transactions involving acquisition of land**

Our directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to under the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 131 of this Draft Red Herring Prospectus, our directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the director is interested directly or indirectly and no payments have been made to him in respect of these contracts, agreements or arrangements or are proposed to be made to him.

### **Other Indirect Interest**

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

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

Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

## **SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATES COMPANIES**

Our Company does not have any associate or subsidiary company as on date of filing of this Draft Red Herring Prospectus.

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

Following are the changes in directors of our Company in last three years prior to the date of this Draft Red Herring Prospectus:

<b>Name</b>	<b>Date of event</b>	<b>Nature of event</b>	<b>Reason</b>
Maqsood Shaikh	September 22, 2017	Re-designation	Designated as Managing Director
Tazyeen Shaikh	September 22, 2017	Re-designation	Designated as Whole Time Director
Dabir Shaikh	September 22, 2017	Designation	Designated as Chairman
Atul Vaidhya	September 25, 2017	Appointment	Appointed as Independent Director
Preethi Ramesh	September 25, 2017	Appointment	Appointed as Independent Director



Name	Date of event	Nature of event	Reason
Anwar Baig	September 25, 2017	Appointment	Appointed as Independent Director
Dabir Shaikh	October 25, 2017	Re-designation	Designated as Whole Time Director

## **BORROWING POWERS OF THE COMPANY**

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on August 30, 2017 and pursuant to provisions of Section 180(1)(a) and 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs. 50,000.00 Lakhs notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

## **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

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

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, there are six Directors on our Board out of which more than one third are independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

### **The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.**

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

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

Our Company has constituted an audit committee ("**Audit Committee**"), as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on September 29, 2017.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Director	Status	Nature of Directorship
Anwar Baig	Chairman	Independent Director
Preethi Ramesh	Member	Independent Director
Maqsood Shaikh	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus / Red Herring Prospectus / /Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

### **Meeting of Audit Committee and relevant Quorum**

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

### **B) Stakeholder's Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on September 29, 2017.

The Stakeholders' Relationship Committee comprises the following Directors:

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Preethi Ramesh	Chairman	Independent Director
Anwar Baig	Member	Independent Director
Dabir Shaikh	Member	Whole Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

**A. Tenure:** The Stakeholder’s 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 Stakeholder’s Relationship Committee as approved by the Board.

**B. Meetings:** The Stakeholder’s 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 quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**C. Role of the Stakeholder’s Relationship Committee:**

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**C) Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on September 29, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Preethi Ramesh	Chairman	Independent Director
Anwar Baig	Member	Independent Director
Atul Vaidya	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

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

**2) Meetings:** The committee shall meet as and when the need arise 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. Meeting of the Nomination and Remuneration Committee shall be called by at least seven days’ notice in advance.

**3) Role of the Nomination and Remuneration Committee not limited to but includes:**

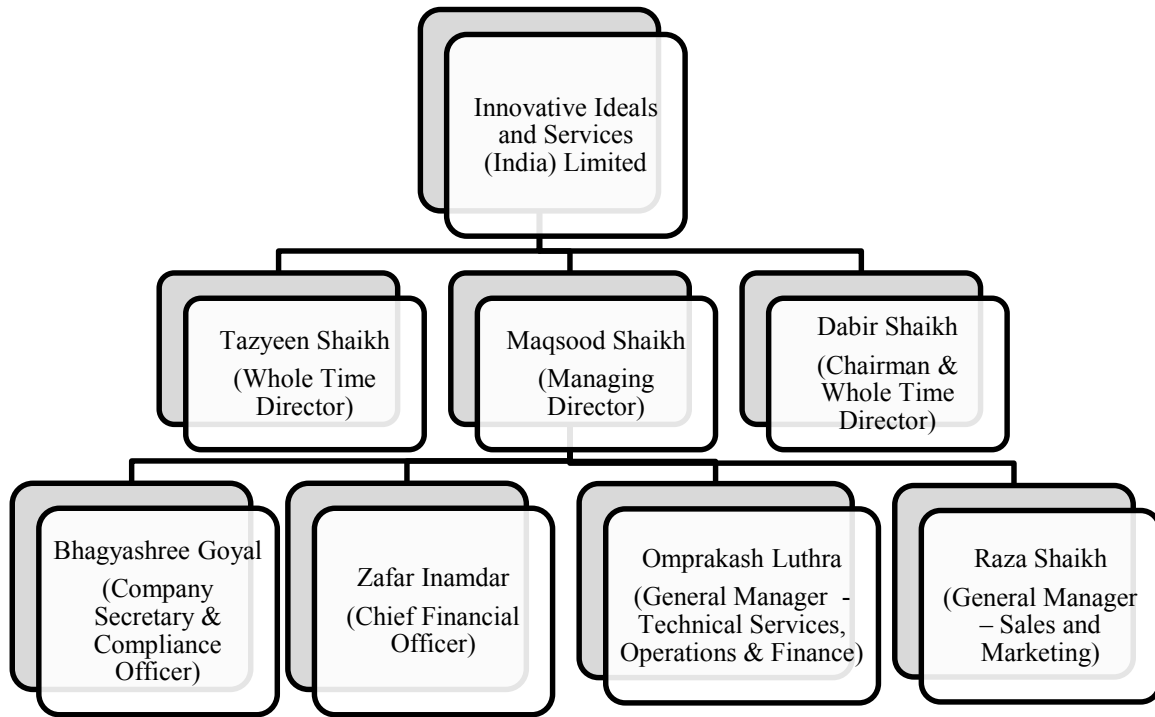
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

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

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on September 22, 2017 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Bhagyashree Goyal, Company Secretary & Compliance Officer 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.

## **ORGANISATIONAL STRUCTURE**



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. The details of our Key Managerial Personnel are set out below:

### **Maqsood Shaikh, Promoter and Managing Director**

Maqsood Shaikh, aged 54 years is the Promoter and Managing Director of our Company. He has been associated with our Company since Incorporation and has been re-designated as Managing Director w.e.f September 22, 2017. He has completed his Diploma in Telecommunication Engineering from Board of Technical Examinations, Bangalore, Karnataka. He has been in the Electronic Security Industry since 1994.

### **Tazyeen Shaikh, Promoter and Whole Time Director**

Tazyeen Shaikh, aged 51 years is the Promoter and Whole Time Director of our Company. She has been Whole Time Director of our Company since September 22, 2017. She holds degree of Bachelor of Architecture from University of Poona. She has also completed her Post Graduate Diploma in Project Management (PGDPM) from National Institute of Construction Management And Research. She is the key person involved in defining product selection designing and placement for all the major projects.

### **Dabir Shaikh, Chairman Whole Time Director**

Dabir Shaikh, aged 80 years is Chairman Whole Time Director of our Company. He is Director of our Company since incorporation, designated as Chairman on September 22, 2017 and re-designated as Whole Time Director w.e.f. October 25, 2017. With his extensive experience in Administration, he provides vital inputs in the management of personnel and administrative planning.

### **Zafar Inamdar, Chief Financial Officer**

Zafar Inamdar, aged 64 years is Chief Financial Officer of our Company w.e.f. September 22, 2017. He holds the degree of Bachelor of Commerce from Mumbai University. Further, he holds completion certificate on comprehensive programme of Export-cum-Import Management honoured by the Indian-American Society. He had worked The Advertising Research and Marketing Services between March 1978 to August 1981 and with Voltas International Limited between 1985 to 1996, Out of which he was deputed to its Joint Venture at Sultanate of Oman between 1985 to 1989 and deputed to the branch office in United Arab Emirates from 1993 to 1996. He has also worked at senior position with Multi-National Companies in Gulf countries via UAE, Qatar, Oman and Saudi Arabia. In the Fiscal Year 2018, he has been paid the remuneration of Rs. 3.00 Lakhs.

### **Bhagyashree Goyal, Company Secretary and Compliance Officer**

Bhagyashree Goyal, aged 27 years is Company Secretary and Compliance Officer of our Company w.e.f. July 10, 2017. She is an associate member of Institute of Company Secretaries of India bearing Membership Number ACS 51488. She looks after the Legal and Compliance Department of the Company. In the Fiscal year 2018, she has been paid remuneration of Rs. 2.17 Lakhs.

Set forth below are the details of our Key Managerial Personnel in terms of the SEBI ICDR Regulations:

### **Omprakash Luthra, General Manager – Technical Services, Operations & Finance**

Omprakash Luthra, aged 52 years is General Manager – Technical Services, Operations & Finance of our Company. He holds Bachelor's degree in Electronic Engineering from Mumbai University. He has experience of about 17 years in the field of service and customer relationship management. In the Fiscal year 2018, he has been paid remuneration of Rs. 15.93 Lakhs.

### **Raza Ahmed Shaikh, General Manager – Sales & Marketing**

Raza A. Shaikh, aged 44 years is General Manager – Sales & Marketing of our Company. He holds Bachelor's degree in Electronics and Telecom Engineering from Mumbai University. He has 15 years of sales and marketing experience in the field of Telecom, Broadband & Security Solutions. In the Fiscal Year 2018, he has been paid remuneration of Rs. 17.14 Lakhs.

### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

<b>Name of the Key Managerial Personnel</b>	<b>Name of the Key Managerial Personnel</b>	<b>Relationship</b>
Maqsood Shaikh	Tazyeen Shaikh	Spouse
Maqsood Shaikh	Dabir Shaikh	Son – Father
Dabir Shaikh	Maqsood Shaikh	Father – Son
Dabir Shaikh	Tazyeen Shaikh	Father in Law – Daughter in law
Tazyeen Shaikh	Maqsood Shaikh	Spouse
Tazyeen Shaikh	Dabir Shaikh	Daughter in law – Father in law

### **RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL**

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

<b>Name of the Director / Promoter</b>	<b>Name of the Key Managerial Personnel</b>	<b>Relationship</b>
Maqsood Shaikh	Tazyeen Shaikh	Spouse
	Dabir Shaikh	Son – Father
Dabir Shaikh	Maqsood Shaikh	Father-Son
	Tazyeen Shaikh	Father In Law- Daughter In Law
Tazyeen Shaikh	Maqsood Shaikh	Spouse
	Dabir Shaikh	Daughter in law - Father in law

### **ARRANGEMENTS AND UNDERTAKING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as mentioned below, none of our Key Managerial Personnel holds any Equity shares of our company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the KMPs	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Maqsood Shaikh	32,41,758	38.99%	[●]
2.	Tazyeen Shaikh	17,27,376	20.78%	[●]
3.	Dabir Shaikh	1,28,250	1.54%	[●]
4.	Omprakash Luthra	1,08,000	1.30%	[●]
5.	Raza Shaikh	1,08,000	1.30%	[●]

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

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

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

Our company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Draft Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in the chapters *“Our Management”* and *“Related Party Transactions”* beginning on pages 162 and 183 respectively of this Draft Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

#### **CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS**

Name of Managerial Personnel	Date of Event	Nature of event	Reason
Bhagyashree Goyal	July 10, 2017	Appointment	Appointment as Company Secretary & Compliance Officer
Maqsood Shaikh	September 22, 2017	Re –Designation	Re-Designated as Managing Director
Tazyeen Shaikh	September 22, 2017	Re-Designation	Re-Designated as Whole Time Director
Zafar Inamdar	September 22, 2017	Appointment	Appointment as Chief Financial Officer
Dabir Shaikh	October 25, 2017	Re-Designation	Re-designated as Whole Time Director

#### **ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, we do not have any ESOP/ESPS Scheme for employees.

#### **PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)**




Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 185 of this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS:

The Promoters of our Company are Maqsood Shaikh and Tazyeen Shaikh. As on date of filing this Draft Red Herring Prospectus, our Promoters hold 49,69,134 equity shares representing almost 59.77% of the pre-issue Paid up Capital of our Company.

**Brief profile of our Promoters is as under:**

	<b>Maqsood Shaikh, Promoter, Managing Director</b>
	<p>Maqsood Shaikh, aged 54 years is the Promoter, Managing Director of our Company. He has been associated with our Company since incorporation. He has completed his Diploma in Electronics &amp; Telecom Engineering from Tippu Shasheed Institute of technology and is a leading light and visionary behind the organisation. After a stint with GTL (Global Telesystems Ltd.), he started our Company in 1994. He was pioneer in introducing the fax machine to the business industry in the late 1980s.</p>
	<p>With experience at his disposal acquired from his previous engagements, and a burning ambition to enter the electronic security business, which was practically a non-existent sector at that time, he started a small firm Innovative Systems &amp; Services in the year 1994, which was subsequently incorporated in the year 2000 as Innovative Ideals &amp; Services (I) Pvt. Ltd. Innovative is one of the companies to introduce Electronic Video Surveillance &amp; Security System in the industry. During this period, Maqsood Shaikh's focus has been on after sale services, which is the key word in the industry and which many industry tend to ignore. The emphasis is on excellent after sale service which is one of the hallmarks of our Company which in return has contributed towards a sharp and high-paced growth for the company.</p>
	<b>Nationality:</b> Indian
	<b>Passport No:</b> Z3262299
	<b>Driving License:</b> MH06 19870004138
	<b>Voters ID:</b> MT/08/039/657075*
	<b>Address:</b> 604, Bhagwati CHS Ltd, Plot No.68, Yari Road, Andheri (W), Mumbai – 400061, Maharashtra, India.
	<b>Other ventures promoted by him:</b> Meditek Lifecare LLP
	<p>For further details, relating to Maqsood Shaikh, including terms of appointment as Managing Director and other directorships please refer to the chapter titled "Our Management" beginning on page 162 this Draft Red Herring Prospectus.</p>



**Tazyeen Shaikh, Whole Time Director**

Tazyeen Shaikh, aged 51 years is the Promoter and Whole Time Director of our Company. She has completed her Bachelor of Architecture degree from University of Poona. With her extensive experience in designing and construction with eminent architects like Hafeez Contractors, Iqbal Cheney and builders like Kalpataru Ltd, she is the key person involved in defining product selection, designing & placement for all major projects of our Company. She is also a qualified management professional and is involved in project management. She is handling the HR department of our Company.

**Nationality:** Indian

**Passport No:** J1741706

**Driving License:** MH02 20040209895

**Voters ID:** MT/08/039/657076

**Address:** 604, Bhagwati CHS Ltd, Plot No.68, Yari Road, Andheri (W), Mumbai – 400061, Maharashtra, India.

For further details relating to Tazyeen Shaikh, including terms of appointment as Whole Time Director and other directorships please refer to the chapter titled “Our Management” beginning on page 162of this Draft Red Herring Prospectus.

**DECLARATION:**

Our Company confirms that the permanent account number, bank account number and passport Number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus with it.

**INTEREST OF PROMOTERS:**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the equity shares held by them. For details regarding shareholding of our Promoters in our Company, please refer “*Capital Structure*” on page 87 of this Draft Red Herring Prospectus.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Some of our Promoters are also the Director of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and Articles of Association of our Company. For details please refer to the chapter titled “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 162, 185 and 87 respectively of this Draft Red Herring Prospectus.

Except as mentioned in the chapter titled “*Our Business*” under “Land & Property”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page no 183 of this Draft Red Herring Prospectus.

#### **OTHER VENTURES OF OUR PROMOTERS:**

Save and except as disclosed in the chapter titled “*Our Promoter and Our Promoter Group*” and “*Our Group Companies*” beginning on page 177 and 182 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

#### **RELATED PARTY TRANSACTIONS:**

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “*Related Party Transactions*” on page 183 of this Draft Red Herring Prospectus.

#### **PAYMENT OR BENEFITS TO PROMOTER:**

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 183 of this Draft Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Red Herring Prospectus.

#### **OUR PROMOTER GROUP:**

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

##### **A. Individuals related to our Promoter:**

<b>Relationship with Promoters</b>	<b>Maqsood Shaikh</b>	<b>Tazyeen Shaikh</b>
Father	Dabir Shaikh	-
Mother	-	Gulnar Cazi
Brother	Nazib Shaikh	Farhan Cazi
Sister	Sabiha Inamdar	Naazish Chouglay
	Shagufta Shaikh	
Spouse	Tazyeen Shaikh	Maqsood Shaikh
Son	Ibad Shaikh	Ibad Shaikh
Daughter	Iram Shaikh	Iram Shaikh
Spouse’s Father	-	Dabir Shaikh
Spouse’s Mother	Gulnar Cazi	-
Spouse’s Brother	Farhan Cazi	Nazib Shaikh
Spouse’s Sister	Naazish Chouglay	Sabiha Inamdar
		Shagufta Shaikh

**B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

1. M/s. Meditek Lifecare LLP;
2. M/s. Bevel Designs;
3. M/s. CodeMaxima Infotech;
4. Indusproducts Engineering and Assembles Private Limited;
5. Siaseu Educational Services Private Limited; and
6. M/s. Macweld Corporation.

**RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS:**

Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Name of Promoter	Name of Director	Relationship
Maqsood Shaikh	Dabir Shaikh	Son-Father
Tazyeen Shaikh	Dabir Shaikh	Daughter in Law – Father in Law
Maqsood Shaikh	Tazyeen Shaikh	Husband – Wife
Tazyeen Shaikh	Maqsood Shaikh	Wife – Husband

**DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS:**

Our Promoters have not disassociated themselves from any entities/firms during preceding three years.

**CHANGES IN CONTROL:**

There has been no change in the management or control of our Company in the last three years.

**LITIGATION INVOLVING OUR PROMOTER:**

For details of legal and regulatory proceedings involving our Promoters, refer to the chapter titled "*Outstanding Litigation and Material Developments*" on page 252 of this Draft Red Herring Prospectus.

**CONFIRMATIONS:**

Our Company, our individual Promoters and their relatives (as defined under the Companies Act, 2013) are not wilful defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in *“Related Party Transactions* on page 183 of this Draft Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

## **OUR GROUP COMPANIES**

In accordance with the provisions of the SEBI ICDR Regulations, for the purpose of identification of ‘Group Companies’, our Company has considered companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our Restated Financials) and other companies as per the policy adopted by our Board. Our Board, in its meeting dated September 4, 2018 has decided that a company shall be considered as a “Group Company” if: (i) such company is part of the “Promoter Group” of our Company in terms Regulation 2(1)(zb) of the SEBI ICDR Regulations; and (ii) our Company has entered into one or more transactions with such company during the last three completed financial year which in value exceeds 10% of the total consolidated revenue of our Company for that financial year as per the audited financial statements.

Based on the above, there is no Group Company of our Company as on date of this Draft Red Herring Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXVII of restated financial statement under the section titled, “Financial Statements as restated” beginning on page 185 of this Draft Red Herring Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

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

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

**SECTION V – FINANCIAL STATEMENTS**  
**FINANCIAL STATEMENTS AS RE-STATED**

Independent Auditor's Report for the Restated Financial Statements of  
Innovative Ideals and Services (INDIA) Limited

**Report of Auditors on the Restated Financial Information of Innovative Ideals and Services (INDIA) Limited for each of the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 .**

**The Board of Directors**  
**Innovative Ideals and Services (INDIA) Limited**  
**E-202, 2nd Floor, Skypark,**  
**Nr Oshiwara Garden,**  
**Off Ajit Glass Road,**  
**Oshiwara, Goregoan (w),**  
**Mumbai - MH - 400104**

Dear Sir,

We, N. K. Aswani & Co., have examined the attached Restated Statement of Assets and Liabilities of Innovative Ideals and Services (INDIA) Limited (the "Company") as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the years ended as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "Restated Summary Statements" or "Restated Financial Statements"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited.

These Restated Summary Statements have been prepared in accordance with the requirements of:

Part I of Chapter III to the Companies Act, 2013("Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;

(iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited.("IPO" or "SME IPO"); and

(iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").

The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 .

In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

The "Statement of Assets and Liabilities as Restated" as set out in Annexure I to this report, of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the

individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this Report.

The “Statement of Profit and Loss as Restated” as set out in Annexure II to this report, of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this Report.

The ” Statement of Cash Flow as Restated” as set out in Annexure III to this report, of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this Report.

Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:

Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.

Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.

The Audit report From FY 2013-14 to 2017-18 had been qualified with the following qualification :

<b>Qualification</b>	<b>Year of Qualification</b>	<b>Effect given in Restated</b>
Inventory at the end of the year have been accepted by auditor as certified by management & no physical verification of the inventory have been done by him.	FY 2013-14 to FY 2015-16 & FY 2017-18	We also have accepted inventory at value certified by management.
The company office premise have been mortgaged against the working capital facility used by the company’s director’s for commercial expediency	FY 2015-16	This act done by director clearly show the contravention of the provision of 185 of the Companies Act,2013, our report is qualified in this regard.
Transaction regarding sales and purchase between related parties have been accepted at the values they are recorded in the books.	FY 2015-16	As per the clarification received from management, the transactions with the related parties are carried out at arms length price hence, we also have accepted the same at value recorded in books.Hence, our report is not qualified in this regard
The Company has not accounted for depreciation in accordance with the provisions of Companies Act,2013 read with scheduals & Rules there under.	FY 2015-16	In absence of sufficient information, we are unable to recalculate the same & our report is also qualified in this

Qualification	Year of Qualification	Effect given in Restated
		regard.
The company has not recorded exchange fluctuation gain/loss in accordance with Accounting standard prescribed by ICAI.	FY 2015-16	In absence of sufficient information, we are unable to derive such gain/loss & Our report is also qualified in this regard
The company has not made the provision for Gratuity, Leave Encashment and other retirement benefit as prescribed under the accounting standard AS-15 Employee Benefits.	FY 2015-16	In the "Restated Summary Statements" or "Restated Financial Statements" compliance of the AS-15 has been made and accordingly we have made the provision for the same. Hence, our report is not qualified in this regard.
Evidence for the following items were not made available to the Auditor :  Evidence for physical delivery of goods Purchased & Sold  Working of the valuation of closing stock  Evidence of contribution to provided fund  Foreign exchange gain/loss on transaction settled during the year  Basis of commission exp  Evidence of fixed deposit receipt kept with bank  Balance payable to / receivable from related parties  Investment in Shree Ram Chits (Maharashtra) Limited  Bank balance  Manner of arriving at the liability of statutory dues	FY 2013-14	We have also not been provided with such evidences & our report is qualified in this regard.
Amount included in Debtors of Rs. 74.20/- Lakhs are disputed, for which no security has been received & Also no amount has been received during the Financial Year	FY 2017-18	As per representation received by management, this amount is estimated to be received by the end of next financial Year i.e. 2018-19, & therefore no provision for bad debt has been made.
Few transactions included in sales & Purchase were not subject to internal control as opined by statutory auditor & the same were not relied upon for the	FY 2017-18	We were also not able to obtain sufficient audit evidence regarding accuracy of turnover recorded in Audited financial

Qualification	Year of Qualification	Effect given in Restated
purpose of Audit .hence, auditor was not able to obtain sufficient & appropriate audit evidence regarding any mistatement that meight exist in turnover recorded in Audited Financial Statement.		Statement. Further, there are material differences between sales as per Audited Financial statement & Sales as per GST returns. Our report is also qualified in this regard.
The Company has adopted new accounting policy in regards to written back of old trade creditors named KOCOM Co. Ltd resulting in net profit of Rs.82.71/- Lakhs	FY 2017-18	The same have been restated to the year to which it relates while preparing restated Financials.

For the year 2014-15, due to insufficient & inadequate audit evidences, the auditor disclaimed from giving any opinion.Hence, we also have disclaimed from giving any opinion in respect of financial statement for FY 2014-15.

Other than abovethere were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 which would require adjustments in this Restated Financial Statements of the Company.

The company has given the Loans/Advances to the related parties which is contravention as per the section 185 of the Companies Act, 2013.

In case any queries are raised by the regulatory authorities, penalty(ies) as prescribed in the law may be levied on the Company. However, Quantum of penalty depends upon discretion of the appropriate authority, hence, we are unable to quantify & therefore, no amount for the same have been disclosed in contingent liability on this account.

These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV(A) to this report.

Audit for the financial year ended on March 31, 2018, March 31, 2017 was conducted by M/s ASB & Associates and audit for the Financial year ended on March 31, 2016, March 31, 2015 & March 31, 2014 was conducted by M/s. K S Sanghvi & Co. Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the year ended on March 31, 2018 have been reaudited by us as per the relevant guidelines.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus(“Offer Document”).

Annexure of Restated Financial Statements of the Company:-

Significant Accounting Policies and Notes to Accounts as restated in Annexure IV(A);

Reconciliation of Restated Profit as appearing in Annexure IV(B) to this report.

Details of Share Capital as Restated as appearing in Annexure V to this report;

Details of Reserves and Surplus as Restated as appearing in Annexure VI to this report;

Details of Long Term Borrowings as Restated as appearing in Annexure VII to this report;

Nature of Security and Terms of Repayment for Long term Borrowings as appearing in Annexure VIII to this report

Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure IX to this report;

Details of Short Term Borrowings as Restated as appearing in Annexure X to this report;

Nature of Security and Terms of Repayment for Short term Borrowings as appearing in Annexure XI to this report

Details of Trade Payables as Restated as appearing in Annexure XII to this report;

Details of Other Current Liabilities as Restated as appearing in Annexure XIII to this report;

Details of Short Term Provisions as Restated as appearing in Annexure XIV to this report;

Details of Fixed Assets as Restated as appearing in Annexure XV to this report;

Details of Non-Current Investments as Restated as appearing in Annexure XVI to this report;

Details of Long Term Loans & Advances as Restated as appearing in Annexure XVII to this report;

Details of Inventories as Restated as appearing in Annexure XVIII to this report;

Details of Trade Receivables as Restated enclosed as Annexure XIX to this report;

Details of Cash and Cash Equivalents as Restated enclosed as Annexure XX to this report;

Details of Short Term Loans & Advances as Restated as appearing in Annexure XXI to this report;

Details of Revenue from operations as Restated as appearing in Annexure XXII to this report;

Details of Other Income as Restated as appearing in Annexure XXIII to this report;

Details of Employee Benefit Expenses as Restated as appearing in Annexure XXIV to this report;

Details of Finance cost as Restated as appearing in Annexure XXV to this report;

Details of Other Expense as Restated as appearing in Annexure XXVI to this report;

Details of Related Parties Transactions as Restated as appearing in Annexure XXVII to this report;

Details of Summary of Accounting Ratios as Restated as appearing in Annexure XXVIII to this report

Capitalization Statement as Restated as at March 31, 2018 as appearing in Annexure XXIX to this report;

Statement of Tax Shelters as Restated as appearing in Annexure XXX to this report;

We, N. K. Aswani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in Annexure I to XXX of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For, N. K. Aswani & Co.

Chartered Accountants  
Firm Registration No.: 100738W

N. K. Aswani & Co.  
Proprietor  
Membership No.: 033278  
Date: September 03, 2018  
Place: Ahmedabad

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

**ANNEXURE-I**

**(Amount in Lacs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>I. EQUITY AND LIABILITIES</b>					
1. Shareholders' funds					
(a) Share capital	831.42	300.00	240.00	120.00	120.00
(b) Reserves and surplus	505.37	378.29	341.54	460.18	444.62
Sub-Total	1,336.79	678.29	581.54	580.18	564.62
3. Non-current liabilities					
(a) Long-term borrowings	46.76	-	-	-	51.60
(b) Deferred tax liabilities (Net)	-	-	-	-	0.08
(c) Other Non Current Liabilities	-	-	-	-	-
(d) Long-term Provisions	21.27	14.04	13.61	15.43	12.14
Sub-Total	68.03	14.04	13.61	15.43	63.82
4. Current liabilities					
(a) Short-term borrowings	721.06	450.97	455.41	405.07	404.29
(b) Trade payables	867.73	801.26	799.55	894.99	3,474.47
(c) Other current liabilities	254.72	176.22	126.98	339.53	104.51
(d) Short-term provisions	231.49	166.26	104.77	119.81	162.46
Sub-Total	2,075.00	1,594.71	1,486.71	1,759.40	4,145.73
<b>TOTAL</b>	<b>3,479.82</b>	<b>2,287.04</b>	<b>2,081.86</b>	<b>2,355.01</b>	<b>4,774.17</b>
<b>II. ASSETS</b>					
1. Non-current assets					
(a) Fixed assets	55.07	42.82	46.21	50.22	53.88
(b) Non-current investments	-	-	-	4.92	6.15
(c) Deferred tax assets (net)	2.60	0.37	0.13	0.31	-
(d) Long-term loans and advances	29.23	2.32	46.87	61.13	47.68
(e) Other Non Current Assets	107.00	-	-	-	-
Sub-Total	193.90	45.51	93.21	116.58	107.71
2. Current assets					



<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
(a) Current investments					
(b) Inventories	1,621.23	725.93	689.92	533.59	590.16
(c) Trade receivables	1,354.78	1,500.96	1,282.40	1,642.37	2,363.64
(d) Cash and cash equivalents	48.71	6.33	15.77	49.88	77.77
(e) Short-term loans and advances	261.20	8.31	0.56	12.59	1,634.89
(f) Other Current Assets	-	-	-	-	-
Sub-Total	3,285.92	2,241.53	1,988.65	2,238.43	4,666.46
TOTAL	3,479.82	2,287.04	2,081.86	2,355.01	4,774.17

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

**ANNEXURE-II**

**(Amount in Lacs)**

<b>Particulars</b>	<b>For the year ended on March 31, 2018</b>	<b>For the year ended on March 31, 2017</b>	<b>For the year ended on March 31, 2016</b>	<b>For the year ended on March 31, 2015</b>	<b>For the year ended on March 31, 2014</b>
I.Revenue from operations	2,026.39	1,061.57	1,212.29	1,241.00	1,276.03
II.Other income	5.45	13.00	5.52	4.07	5.58
III. Total Revenue (I + II)	2,031.84	1,074.57	1,217.81	1,245.07	1,281.61
IV. Expenses:					
Cost of materials consumed	-	-	-	-	-
Purchases of Stock-in-Trade	2,266.04	770.12	1,115.57	837.81	843.37
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(895.30)	(36.01)	(156.34)	56.57	39.84
Employee benefits expense	122.56	92.24	112.91	134.68	130.00
Finance costs	49.65	73.39	67.55	76.59	72.53
Depreciation and amortization expense	6.25	3.39	4.01	3.82	4.42
Other expenses	50.83	26.07	72.14	112.31	118.51
Total expenses	1,600.03	929.20	1,215.84	1,221.78	1,208.67
V. Profit before exceptional and extraordinary items and tax (III-IV)	431.81	145.37	1.97	23.29	72.94
VI. Exceptional items	-	-	-	-	-
VII. Profit before extraordinary items and tax (V - VI)	431.81	145.37	1.97	23.29	72.94
VIII. Extraordinary Items-	-	-	-	-	-
IX. Profit before tax (VII- VIII)	431.81	145.37	1.97	23.29	72.94
X. Tax expense:					
(1) Current tax	125.25	48.85	0.43	8.12	23.17
(2) MAT Credit	-	-	-	-	-
(3) Deferred tax	(2.23)	(0.24)	0.18	(0.39)	(0.49)
(4) Current tax expense relating to prior years	-	-	-	-	-

XI. Profit (Loss) for the period from continuing operations (VII-VIII)	308.79	96.76	1.36	15.56	50.26
XII. Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII. Tax expense of discontinuing operations	-	-	-	-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV. Profit (Loss) for the period (XI + XIV)	308.79	96.76	1.36	15.56	50.26
XVI Earnings per equity share:					
(1) Basic & Diluted	4.66	1.79	0.03	0.29	0.93

**STATEMENT OF CASH FLOW AS RESTATED**

**ANNEXURE-III**

**(Amount in Lacs)**

<b>Particulars</b>	<b>For the year ended on March 31, 2018</b>	<b>For the year ended on March 31, 2017</b>	<b>For the year ended on March 31, 2016</b>	<b>For the year ended on March 31, 2015</b>	<b>For the year ended on March 31, 2014</b>
CASH FLOW FROM OPERATING ACTIVITIES					
Restated Net profit Before Tax and Extraordinary Items	431.81	145.37	1.97	23.29	72.94
Adjustments For:	-	-	-	-	-
Depreciation	6.25	3.39	4.01	3.82	4.42
Preliminary Expenses	-	-	-	-	-
(Interest Received)	(0.89)	(0.50)	(2.77)	(1.31)	(4.44)
Interest and Finance Charges	49.65	73.39	67.55	76.59	72.53
Operating Profit before working capital changes	486.81	221.66	70.76	102.38	145.44
Adjustment For:					
Decrease/(Increase) in Inventories	(895.30)	(36.01)	(156.34)	56.57	39.84
Decrease/(Increase) in Trade receivables	146.17	(218.56)	359.97	721.28	752.43
Decrease/(Increase) in Other Current Assets	-	-	-	-	-
Decrease/(Increase) in Other Non Current Assets	(107.00)	-	-	-	-
(Decrease)/Increase in Trade Payables	66.47	1.71	(95.44)	(2,579.48)	766.11
(Decrease)/Increase in Other Current Liabilities	78.50	49.24	(212.54)	235.01	(28.88)
(Decrease)/Increase in Short Term Provisions	65.22	61.50	(15.05)	(42.64)	0.03
(Decrease)/Increase in Long Term Provisions	-	-	-	-	-
(Decrease)/Increase in Other Non current Liabilities	7.23	0.43	(1.82)	3.29	0.75
Cash Generated from Operations	(151.89)	79.95	(50.45)	(1,503.59)	1,675.73

Less : Taxes Paid	125.25	48.85	0.43	8.12	23.17
Net Cash From /(Used In ) Operating Activities (A)	(277.14)	31.10	(50.88)	(1,511.72)	1,652.56
Cash Flow From Investing Activities					
Purchase/Sale Of Fixed Assets	(18.50)	-	-	(0.15)	(0.26)
Decrease/(Increase) in Non Current investments	-	-	4.92	1.23	1.09
Decrease/(Increase) in Long term Loans & Advances	(26.90)	44.55	14.26	(13.45)	(6.66)
Decrease/(Increase) in Short-term loans and advances	(252.89)	(7.75)	12.03	1,622.29	(1,589.53)
Net gain / loss on Sale of Investments	-	-	-	-	-
Interest Received	0.89	0.50	2.77	1.31	4.44
Net Cash From /(Used In ) Investing Activities (B)	(297.40)	37.29	33.98	1,611.23	(1,590.92)
Cash Flow From Financing Activities					
Proceeds from Issue of Shares	531.42	60.00	120.00	-	60.00
Security Premium	58.28	-	-	-	-
Issu of Bonus share	(240.00)	(60.00)	(120.00)	-	(60.00)
Interest and Finance Charges	(49.65)	(73.39)	(67.55)	(76.59)	(72.53)
Proceeds / (Repayments) of Share Application Money	-	-	-	-	-
(Decrease)/Increase in Short Term Borrowing	270.09	(4.44)	50.34	0.79	(8.11)
(Decrease)/Increase in Long Term Borrowing	46.76	-	-	(51.60)	0.78
Net Cash From Financing Activities (c)	616.91	(77.84)	(17.21)	(127.40)	(79.86)
Net Increase / (Decrease) in Cash (A)+(B)+(C)	42.37	(9.44)	(34.11)	(27.89)	(18.22)
Cash and Cash equivalents at the beginning of the year	6.33	15.77	49.88	77.77	96.00
Cash and Cash equivalents at the end of the year	48.71	6.33	15.77	49.88	77.77

The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Satements"

Figures in Brackets represent outflows

The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

**(A) Corporate Information :**

The Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, The Company was converted into a Public Limited Company pursuant to Special Resolution passed by the members in Extra-Ordinary General Meeting held on August 30, 2017 and the name of The Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of The Company is U64201MH2000PLC129901.

**(B) Basis of Preparation :**

The Restated Summary Statements of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014, have been compiled by management from the financial statements of the company for the period ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 1, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

**(C) Significant Accounting Policies :****(a) Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

**(b) Fixed Assets :**

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. CENVAT credit availed but not adjusted against excise duty payment is treated as CENVAT credit receivable and shown under ‘Loans and Advances’. Fixed assets on which CENVAT credit is not availed is shown at full value.

**(c) Depreciation:**

Up to March 31, 2014 depreciation on fixed assets is provided on Written Down Value(WDV) Method at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their

useful life. w.e.f April 1, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except non charging of 100% depreciation on assets costing below Rs. 5000/-. The carrying amount as on April 1, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

**(d) Revenue Recognition:**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

**(D) Foreign Currency Transactions :**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

**(E) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(F) Inventories:**

Inventories are valued at cost or net realizable value whichever is lower. Cost of Raw material includes value of goods & transport & any other incidental expense incurred to procure the inventory. Cost of finished goods includes cost of raw material consumed & any other direct expense incidental to manufacturing of goods

**(G) Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligations, other than the contribution payable to the provident fund.

**(H) Taxation :**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.



Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

**(I) Borrowing Cost :**

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(J) Segment Reporting :**

The Company provides integrated security and surveillance solutions with the latest state-of-the-art, high- tech electronic systems, such as Home Networking Systems, Video Door Phones, CCTV Systems, Fire Alarm Systems, Intrusion Alarm Systems, and Telecom Products.Considering the nature of the business of the organization, Company is operating in two geographical segments, i.e Domestic & International market.However, Company has not maintained saperet data for each segment & in absence of the same, we are unable to report on the same.

**(K) Provisions and ContigentLiabilities :**

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and 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. Contingent Assets are neither recognized nor disclosed in the financial statements.

(Amount in Lacs)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Bank Guarantee/LC issued by Bank	28.47	26.89	29.24	195.14	10.25
Claim against company not acknowledge as debt.	146.47	146.47	146.47	146.47	146.47

As we are unable to quantify amount for contravention of provision of Section 185 of Companies Act,2013, no amount have been provided for the same in Contingent liability.

**(L) 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.

## RECONCILIATION OF RESTATED PROFIT

### ANNEXURE IV(B)

(Amount in Lacs)

Adjustments for	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Net profit/(loss) after tax as per audited statement of profit & loss	370.37	225.81	1.63	26.64	50.92
Adjustments for:					
Preliminary Expenses	-	-	-	-	-
Gratuity Provisions	(7.77)	(0.59)	0.90	(3.35)	(0.76)
(Increase) / Decrease Expenses	(6.19)	-	-	-	-
Prior Period Adjustments (Note 1)	(47.05)	(180.31)	(1.44)	-	-
Excess / Short Provision for Tax (Note 2)	(2.04)	51.97	0.34	(8.12)	(0.54)
Differed Tax Liability / Assets Adjustments (Note 3)	1.48	(0.12)	(0.08)	0.39	0.63
Net profit/ (loss) after tax as restated	308.79	96.76	1.36	15.56	50.26

Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective years .

Adjustments having impact on Profit:

Note: 1

Amounts relating to the prior period & Other incomes/Exp have been adjusted in the year to which the same relates to & Under which head the same relates to.

Note: 2

The company has provided Excess or Short Provision in the year in which the income tax return has been filed. But in restated account, the company has provided Excess or Short Provision in the year to which it relates.

Note: 3

There is change in Deffered Tax Assets / Liabilities as per Audited Books of Accounts and as per Restated Books and the same has been given effect in the year to which the same relates.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

Above mentioned adjustments have been made on the basis of data made available to us by the Company.

**DETAILS OF SHARE CAPITAL AS RESTATED**

**ANNEXURE-V**

**(Amount in Lacs)**

**Statement of Share Capital**

<b>Particlours</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Authorised					
1,35,00,00 Equity shares of Rs. 10/- each	1,350.00	-	-	-	-
30,00,000 , Equity shares of Rs. 10/- each	-	300.00	300.00	300.00	300.00
Issued , Subscribed and Fully paid up Capital					
83,14,169 Equity shares of Rs. 10/- each fully paid up	831.42	-	-	-	-
30,00,000 Equity shares of Rs. 10/- each fully paid up	-	300.00	-	-	-
24,00,000 Equity shares of Rs. 10/- each fully paid up	-	-	240.00	-	-
12,00,000 Equity shares of Rs. 10/- each fully paid up	-	-	-	120.00	120.00
6,00,000 Equity shares of Rs. 10/- each fully paid up	-	-	-	-	-
<b>TOTAL</b>	<b>831.42</b>	<b>300.00</b>	<b>240.00</b>	<b>120.00</b>	<b>120.00</b>

Terms/rights attached to equity shares :

During the FY 2013-14 company has issued and allotted 6,00,000 Bonus shares of Rs.10/- each(Face Value) wide a resolution passed at EGM of the company held at the registered office of the company on November 30,2013.

During the FY 2015-16 company has issued and allotted 12,00,000 Bonus shares of Rs.10/- each (Face Value)wide a resolution passed at EGM of the company held at the registered office of the company on September 30,2015.

During the FY 2016-17 company has issued and allotted 6,00,000 Bonus shares of Rs.10/- each (Face Value) wide a resolution passed at EGM of the company held at registered office of the company on March 30,2017.

During the FY 2017-18 company has issued and allotted 24,00,000 Bonus shares of Rs.10/- each(Face Value) wide a resolution passed at EGM of the company held at the registered office of the company on August 1,2017

During the FY 2017-18 company has issued and allotted 8,23,085 Equity shares of Rs.10/- each (Face Value)for Acquisition of Two Proprietorship firms wide a resolution passed at board meeting held at the registered office of the company on October 3, 2017.

During the FY 2017-18 company has issued and allotted 16,90,417 Equity shares of Rs. 10/- each(Face Value) by way of conversion of loan into equity wide a resolution passed at the board meeting held at the registered office of the company held on October 30,2017.

During the FY 2017-18 company has issued and allotted 4,00,667 Equity shares of Rs. 10/-(Face Value) each by way of conversion of loan into equity wide a resolution passed at the board meeting held at the registered office of the company on December 22,.2017.

Terms/rights attached to equity shares :

1.The company was having only one class of Equity Shares with par value of Rs. 10- per share. Each holder of Equity shares was entitled to one Vote per share.

2.In the Liquidation of the company, the holders of Equity Shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of Shares outstanding at the beginning and at the end of the Period

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
At the beginning of the period	3,000,000	2,400,000	1,200,000	1,200,000	600,000
Issued during the year	5,314,169	600,000	1,200,000	-	600,000
Redeemed or bought back during the period	-	-	-	-	-
Outstanding at the end of the Period	8,314,169	3,000,000	2,400,000	1,200,000	1,200,000

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	2,914,169	-	-	-	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	2,400,000	600,000	1,200,000	-	600,000
Aggregate number and class of shares bought back.	-	-	-	-	-

a.Details of Shareholders holding more than 5% shares in the company (In terms of No. of Shares Holding)

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Name of Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Maqsood Shaikh	3,241,758	1,351,815	1,081,460	497,980	497,980
Dabir Shaikh	-	-	57,000	114,000	114,000
Tazyeen Shaikh	1,727,376	1,047,625	838,100	393,400	393,400
Imran shaikh	480,482	293,425	234,740	108,820	108,820
Ibad Shaikh	392,425	235,875	188,700	85,800	85,800
Hitesh Patel	1,010,000	-	-	-	-
Total	6,852,041	2,928,740	2,400,000	1,200,000	1,200,000

b.Details of Shareholders holding more than 5% shares in the company (In terms of % Holding)

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Name of Shareholders	% holding	% holding	% holding	% holding	% holding
MaqsoodShaikh	38.99%	45.06%	45.06%	41.50%	41.50%
DabirShaikh	0.00%	0.00%	2.38%	9.50%	9.50%
TazyeenShaikh	20.78%	34.92%	34.92%	32.78%	32.78%
Iram shaikh	5.78%	9.78%	9.78%	9.07%	9.07%
IbadShaikh	4.72%	7.86%	7.86%	7.15%	7.15%
Hitesh Patel	12.15%	-	-	-	-
Total	82.41%	97.62%	100.00%	100.00%	100.00%

**DETAILS OF RESERVES AND SURPLUS AS RESTATED****ANNEXURE-VI****(Amount in Lacs)**

<b>Particlairs</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
A. Security premium account					
Opening Balance	-	-	-	-	-
Add: Securities premium accounts credited on account of share issue	58.28	-	-	-	-
Less : Deletion for issue of Bonus Shares	-	-	-	-	-
Closing Balance	58.28	-	-	-	-
B. Profit loss account					
Opening Balance	378.29	341.54	460.18	444.62	454.36
Add: Net Profit/(Loss) for the year	308.79	96.76	1.36	15.56	50.26
Less: Issuing Bonus Shares	240.00	60.00	120.00	-	60.00
Closing Balance	447.09	378.29	341.54	460.18	444.62
Total A+B	505.37	378.29	341.54	460.18	444.62

Notes:

The figures disclosed above are based on the Unconsolidated restated summary statement of assets and liabilities of the Company

The above statement should be read with the notes to Unconsolidated restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I,II and III.

**DETAILS OF LONG TERM BORROWINGS AS RESTATED****ANNEXURE VII****(Amount in Lacs)**

<b>Particlairs</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
A1. From Banks (Secured)					
Bank of Maharashtra Term Loan – I	-	-	-	-	-
Bank of Maharashtra Term Loan – II	-	-	-	-	50.26
Bank of Maharashtra Term Loan – III	-	-	-	-	-
Bank of Maharashtra Term Loan – IV	-	-	-	-	-
Bank of Maharashtra Term Loan - V	-	-	-	-	-

<b>Particlaurs</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Bank of Maharstra Term Loan – VI	-	-	-	-	-
Bank of Maharstra Term Loan – VII	-	-	-	-	-
Bank of Maharstra Term Loan - VIII	-	-	-	-	-
A2. From NBFC(Secured)					
Tata Capital	4.85				
A3. From Banks (UnSecured)					
HDFC Bank	41.91	-	-	-	-
Total	46.76	-	-	-	50.26
B. From Other Parties (Unsecured)					
B1. From Promoter / Promoter Group / Group Companies / Other Related Parties					
Loan From Directors / Promoters Group					
	-	-	-	-	-
Loan From Share Holders					
B2. From Financial Institutions					
B3. Others					
Other	-	-	-	-	0.08
Nagesg Rao	-	-	-	-	1.26
Arihant Superstructures Ltd.	-	-	-	-	-
Inter Corporate Deposits					
Total	-	-	-	-	1.33
Total A+B	46.76	-	-	-	51.60

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM  
BORROWINGS INCLUDING CURRENT MATURITIES**

**ANNEXURE VIII**

Sr. No.	Lender	Nature of facility	Amount Sanctioned	Amount outstanding as at March 31, 2018	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
1	Tata Capital Finance Services Ltd	Vehicle Loan	Rs. 13.95/- Lakhs	Rs. 8.09/- Lakhs	Basic Rate-15.43%	Repayment in 48 Equal monthly installments of Rs. 39150/-	I. Primary Security:  Hypothication of Motor vehicle having Model Mercedes A class & vehicle number MH14DA2049

(Amount in Lacs)

HDFC Loan 54299966			
Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Rate of Interest	15.50%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	49.77	-	-
Interest on Loan	0.88	-	-
Amount Repaid / Adjusted	1.40	-	-
Outstanding Amount	49.24	-	-
Terms of Repayment:	Repayable in 36 Monthly Installments of Rs. 69,822/- Each		

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED**

**ANNEXURE IX**

(Amount in Lacs)

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
WDV As per Companies Act. 1956 / 2013	55.07	42.82	46.21	50.22	53.88
WDV As per Incometax Act, 1961	41.24	28.43	31.72	35.41	39.57
Difference in WDV	13.83	14.38	14.48	14.80	14.31
Gratuity Provision	(23.26)	(15.49)	(14.90)	(15.79)	(12.45)



Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Other Disallowance including U/s. 43B	-	-	-	-	(1.59)
Total TimmingDifferece	(9.43)	(1.11)	(0.41)	(0.99)	0.27
Tax Rate as per Income Tax	27.55	33.06	30.90	30.90	30.90
(DTA) / DTL	(2.60)	(0.37)	(0.13)	(0.31)	0.08
Net deferred tax liability	(2.60)	(0.37)	(0.13)	(0.31)	0.08

Deffered Tax Assets & Liabilities Summary

Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Opening Balance of (DTA) / DTL	(0.37)	(0.13)	(0.31)	0.08	0.57
Add: Provision for the Year	(2.23)	(0.24)	0.18	(0.39)	(0.49)
Closing Balance of (DTA) / DTL	(2.60)	(0.37)	(0.13)	(0.31)	0.08

Other Non Current Liabilities

Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Provision for Gratuity	21.27	14.04	13.61	15.43	12.14
Total Non Current Liabilities	21.27	14.04	13.61	15.43	12.14

DETAILS OF SHORT TERM BORROWINGS AS RESTATED

ANNEXURE X

(Amount in Lacs)

Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Loan Repayable on Demand					
A. From Banks and NBFC (Secured)					
Bank of Maharashtra –I	454.61	450.43	455.41	403.11	349.22
Bank of Maharashtra - II	126.66	-	-	-	-
Shapoorji Pallonji Finance Private Limited	117.40	-	-	-	-
Total (A)	698.66	450.43	455.41	403.11	349.22
A2 Unsecured					
Bank Overdraft	-	0.54	-	1.96	55.07

IIFL SL 1099666	22.40	-	-	-	-
Total (B)	22.40	0.54	-	1.96	55.07
Total A+B	721.06	450.97	455.41	405.07	404.29

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

**ANNEXURE XI**

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2018	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
1	Bank of Maharashtra	Working Capital	Rs.125.00 Lacs	Rs. 126.66 Lacs	Base Rate+ 4.50%-0.25%= 13.95%	On Demand	<p>I.Primary Securities: Hypothication of Inventory &amp; Receivables</p> <p>II.Collateral Securities</p> <p>a. Additional Charge on Equitable Mortgage of office Premises owned by Innovative Ideals and Services India Private Limited Situated At 202, 2nd Floor, Deshmukh Park Building, Nr. Oshiwara Garden, Ajit Glass Factory road, Jogeshwari West, Mumbai-400102</p> <p>b.Additional Charge on Equitable Mortgage of Flat owned by Maqsood Dabir Shaikh And Mrs. Tazyeen Maqsood Shaikh situated at 604, 6th floor, Bhagwati CHS Ltd, Plot No.68, Yari Road, Andheri West, Mumbai 400061.</p> <p>III. Personal Gurantee:</p> <p>1.Mr. Dabir Shaikh 2.Mr. Maqsood Shaikh 3.Mrs. Tazyeen Shaikh</p> <p>IV. Corporate Gurantee: M/S Innovative Ideals and Services India Pvt Ltd</p> <p>V. Other Terms and Condition</p>

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2018	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
							<p>-Full review and renewal to be done within 3 months from the date of sanction after receiving the required documents</p> <p>-Term Loan of Rs. 080Lacs to be repaid before review and renewal of facilities</p>
2	Bank of Maharashtra	Working Capital	Rs.450.00 lacs	Rs.454.61 Lacs	Base Rate+ 4.50% i.e.14.20 % pa (Margin 25%)	On Demand	<p>I.Primary Securities: Hypothication of Inventory &amp; Receivables</p> <p>II.Collateral Securities</p> <p>1.Equitable Mortgage of office Premises owned by Innovative Ideals and Services India Private Limited Situated At 202, 2nd Floor, Deshmukh Park Building, Nr. Oshiwara Garden, Ajit Glass Factory road, Jogeshwari West, Mumbai-400102</p> <p>2.Equitable Mortgage of flat no. 604, 6th Floor Bhagwati CHS Ltd. Plot no.68, Yari Road, Andheri, Mumbai-400061</p> <p>III.Personal Guarantee: Directors Property holders Associate Concern M/s Innovative Solution</p> <p>IV. Other terms and Conditions</p> <p>1.The company shall furnish an irrevocable authority to the bank for debiting their account with</p>
		Bank Gurantee	Rs.30.00 lacs	Rs. 28.47 Lacs	Base Rate+ 4.50% i.e.14.20 % pa (Margin 25%)	On Demand	

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2018	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
							<p>the amount of claims received from the beneficiary with incidentals, If any.</p> <p>2. Age wise book debt statement duly certified by CA to be submitted</p> <p>3. Branch to send compliance and end use certificate</p>
3	Shapoorji Pallonji Finance Private Limited	Furtherance of Business including Working capital requirement	Rs. 200 Lakhs	Rs. 117.40 Lakhs	11% p.a.	On Demand	<p>Security / Principal terms and conditions :</p> <p>Financing Documents includes sanction letter, all other agreements, instruments, undertaking, indentures, promissory notes, deeds, writings and other documents (whether security, financing or otherwise) executed or entered into by the borrower or as the case may be, any other person, in relation, or pertaining to the transactions contemplated by, or under this agreement and each financing document as amended from time to time.</p>

(Amount in Lacs)

IIFL			
Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Rate of Interest	17.00%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	24.97	-	-
Interest on Loan	0.44	-	-

Amount Repaid / Adjusted	3.01	-	-
Outstanding Amount	22.40	-	-
Terms of Repayment:	Repayment in 12 Monthly installments out of which 1st 4 installments of rs. 3,00,976/- each, next 4 monthly installment of rs. 2,25,732/- each and remaining installments of rs. 1,57,328/- each		

**DETAILS OF TRADE PAYABLES AS RESTATED**

**ANNEXURE XII**

**(Amount in Lacs)**

Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
From MSME					
Sundry Creditors for Goods	-	7.80	-	-	-
Sundry Creditors for Capital Goods/Fixed Assets	-	-	-	-	-
Sundry Creditors for Expenses	-	-	-	-	-
From Others					
Sundry Creditors for Goods	856.85	790.43	796.47	894.99	3,474.47
Sundry Creditors for Capital Goods/Fixed Assets	-	-	-	-	-
Sundry Creditors for Expenses	10.88	3.03	3.08	-	-
Total	867.73	801.26	799.55	894.99	3,474.47

Notes

Outstanding against Purchase / Acquisition of Capital Goods / Assets have been shown under "Sundry Creditors for Capital Goods / Fixed Assets"

Trade Payables as on March 31, 2018 have been taken as certified by the management of the company

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

**ANNEXURE XIII**

**(Amount in Lacs)**

Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Advance received from customers	189.01	138.68	111.73	243.39	42.55
Other Current Liabilities	41.56	31.43	9.55	2.87	0.05
TDS Payable	13.58	6.11	5.71	3.01	2.16

Sub Total	244.15	176.22	126.98	249.26	44.76
Current Maturities of Term Liabilities					
Bank of Maharashtra Term Loan – I	-	-	-	-	-
Bank of Maharashtra Term Loan – II	-	-	-	50.26	8.12
Bank of Maharashtra Term Loan – III	-	-	-	-	-
Bank of Maharashtra Term Loan – IV	-	-	-	-	-
Bank of Maharashtra Term Loan –V	-	-	-	-	-
Bank of Maharashtra Term Loan – VI	-	-	-	-	16.68
Bank of Maharashtra Term Loan – VII	-	-	-	-	34.95
Bank of Maharashtra Term Loan – VIII	-	-	-	40.00	-
Tata Capital	3.24	-	-	-	-
HDFC Bank	7.33	-	-	-	-
Sub Total	10.57	-	-	90.26	59.75
Total	254.72	176.22	126.98	339.53	104.51

Notes:

-Advances Received from Customers have been taken as certified by the management of the company and no security has been offered by the company against the same.

#### DETAILS OF SHORT TERM PROVISIONS AS RESTATED

#### ANNEXURE XIV

(Amount in Lacs)

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Provision for Direct Tax	140.27	26.45	79.03	84.31	136.53
Provision for Indirect Tax	77.69	127.36	18.10	26.30	15.72
Provision for Others	13.52	12.46	7.63	9.20	10.20
Total	231.49	166.26	104.77	119.81	162.46

Notes:

- Provision for Direct Tax have been adjusted against the Advance Tax and TDS Receivables, if any

#### DETAILS OF FIXED ASSETS AS RESTATED

#### ANNEXURE XV

(Amount in Lacs)

Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
Gross Block :									
As at April 1, 2013	64.92	-	-	0.04	22.28	-	11.85	-	99.09
Additions / (Deletion)	-	-	-	-	0.26	-	-	-	0.26
As at March 31, 2014	64.92	-	-	0.04	22.55	-	11.85	-	99.36
As at April 1, 2014	64.92	-	-	0.04	22.55	-	11.85	-	99.36
Additions / (Deletion)	-	-	-	-	0.15	-	-	-	0.15
As at March 31, 2015	64.92	-	-	0.04	22.70	-	11.85	-	99.51
As at April 1, 2015	64.92	-	-	0.04	22.70	-	11.85	-	99.51
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
As at March 31, 2016	64.92	-	-	0.04	22.70	-	11.85	-	99.51
As at April 1, 2016	64.92	-	-	0.04	22.70	-	11.85	-	99.51
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
As at March 31, 2017	64.92	-	-	0.04	22.70	-	11.85	-	99.51
As at April 1, 2017	64.92	-	-	0.04	22.70	-	11.85	-	99.51
Additions / (Deletion)	-	-	-	0.01	2.12	15.77	0.33	0.27	18.50
As at March 31, 2018	64.92	-	-	0.05	24.82	15.77	12.18	0.27	118.01
Accumulated									

Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
Depreciation :									
As at April 1, 2013	17.23	-	-	0.03	13.11	-	10.68	-	41.06
Charge for the year	2.38	-	-	0.00	1.56	-	0.47	-	4.42
As at March 31, 2014	19.62	-	-	0.03	14.67	-	11.15	-	45.48
As at April 1, 2014	19.62	-	-	0.03	14.67	-	11.15	-	45.48
Charge for the year	2.26	-	-	0.00	1.27	-	0.28	-	3.82
Adjustments in Depreciation under the Companies Act ' 2013	-	-	-	-	-	-	-	-	-
As at March 31, 2015	21.88	-	-	0.03	15.95	-	11.43	-	49.29
As at April 1, 2015	21.88	-	-	0.03	15.95	-	11.43	-	49.29
Charge for the year	2.10	-	-	0.00	1.75	-	0.17	-	4.01
As at March 31, 2016	23.98	-	-	0.04	17.69	-	11.60	-	53.30
As at April 1, 2016	23.98	-	-	0.04	17.69	-	11.60	-	53.30
Charge for the period	1.99	-	-	0.00	1.30	-	0.10	-	3.39
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
As at March 31, 2017	25.97	-	-	0.04	18.99	-	11.70	-	56.69
As at April 1, 2017	25.97	-	-	0.04	18.99	-	11.70	-	56.69



Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
Charge for the period	1.90	-	-	0.00	1.28	2.87	0.14	0.06	6.25
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
As at March 31, 2018	27.87	-	-	0.04	20.27	2.87	11.83	0.06	62.94
Net Block :									
As at March 31, 2014	45.30	-	-	0.01	7.87	-	0.70	-	53.88
As at March 31, 2015	43.03	-	-	0.01	6.76	-	0.42	-	50.22
As at March 31, 2016	40.94	-	-	0.01	5.01	-	0.25	-	46.21
As at March 31, 2017	38.95	-	-	0.01	3.71	-	0.15	-	42.82
As at March 31, 2018	37.05	-	-	0.02	4.55	12.90	0.35	0.21	55.07

**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED**

**ANNEXURE XVI**

**(Amount in Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
(a) Investment in Equity instruments	-	-	-	-	-
(b) Investments in preference shares	-	-	-	-	-
(c) Investments in Government or Trust securities	-	-	-	-	-
(d) Investments in Debentures or Bonds	-	-	-	-	-
(e) Investments in Mutual	-	-	-	-	-

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Funds					
(f) Investments in partnership firms*	-	-	-	-	-
(g) Other non-current investments	-	-	-	-	-
-Investment in chit fund	-	-	-	4.92	6.15
	-	-	-	4.92	6.15
Aggregate Amount of Unquoted Investments	-	-	-	-	-
Aggregate Cost of Quoted Investments	-	-	-	-	-
Aggregate Cost of Unquoted Investments	-	-	-	-	-
Aggregate Market Value of Quoted Investments	-	-	-	-	-
Total	-	-	-	4.92	6.15

**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED**

**ANNEXURE XVII  
(Amount in Lacs)**

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Unsecured & Considered Good					
Security Deposits	0.74	0.32	0.33	0.96	3.67
Other Advances	25.05	-	-	-	-
Loans and advances to other parties					
Nexus safety solutions private limited	2.00	2.00	2.00	2.00	2.00
Heena Communications	1.00	-	-	-	-
Madiya Inamdar	0.44	-	-	-	-
Loans and advances to related parties	-	-	44.55	58.17	42.01
Total	29.23	2.32	46.87	61.13	47.68

**DETAILS OF INVENTORIES AS RESTATED**

**ANNEXURE XVIII  
(Amount in Lacs)**

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
a. Raw Materials and components (Valued at Cost or NRV unless otherwise stated)	-	-	-	-	-
Goods-in transit	-	-	-	-	-
	-	-	-	-	-
b. Consumables (Valued at Cost or NRV unless otherwise stated)	-	-	-	-	-
Goods-in transit	-	-	-	-	-
	-	-	-	-	-
c. Finished goods (Valued at Cost or NRV unless otherwise stated)	-	-	-	-	-
Goods-in transit	-	-	-	-	-
	-	-	-	-	-
d. Stock-in-Trade (Valued at Lower of Cost or NRV as per FIFO Method)	1,621.23	725.93	689.92	533.59	590.16
Goods-in transit	-	-	-	-	-
	1,621.23	725.93	689.92	533.59	590.16
e. Trading Inventory	-	-	-	-	-
Total	1,621.23	725.93	689.92	533.59	590.16

**DETAILS OF TRADE RECEIVABLES AS RESTATED**

**ANNEXURE XIX**

**(Amount in Lacs)**

Particlaurs	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
(Unsecured and Considered Good)					
a. From Directors/Promoters/Promoter Group/Associates/Relatives of Directors / Group Companies					
Over Six Months	-	974.91	803.87	546.52	1,588.96
Others	166.46	-	-	-	-

a. From Others					
More than six months	666.67	394.23	350.93	1,017.61	554.99
Less than Six Months	521.65	131.82	127.59	78.24	219.69
Total	1,354.78	1,500.96	1,282.40	1,642.37	2,363.64

Notes:

Trade Receivables as on March 31, 2018 has been taken as certified by the management of the company

As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made

#### DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED

ANNEXURE XX

(Amount in Lacs)

Particlours	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Balances with banks	37.72	0.02	6.93	-	-
Cash on hand	3.08	0.31	0.35	0.30	0.30
FD With Bank	7.90	6.00	8.50	49.59	77.47
Total	48.71	6.33	15.77	49.88	77.77

#### DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED

ANNEXURE XXI

(Amount in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
A. Loans and advances to related parties					
Secured, considered good					
Unsecured, considered good:-					
Bevel Design	83.01	-	-	-	-
	83.01	-	-	-	-
B. Security Deposits					
Secured, considered good (Fixed Deposit)	-	-	-	-	-
Unsecured, considered	-	-	-	-	-

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
good					
Doubtful	-	-	-	-	-
Less:Provision for doubtful loans and advances	-	-	-	-	-
	-	-	-	-	-
C. Balances with government authorities					
(i) VAT / CENVAT credit / GST / other Indirect Taxes receivable	16.14	0.56	0.56	(0.00)	30.30
(ii) TDS / TCS Receivables	-	-	-	(0.00)	-
(iii) Advance / Self Assessment Tax	-	-	-	-	(0.00)
(iv) Service Tax paid	-	-	-	-	-
(v) GST	-	-	-	-	-
(vi) Tax Paid Against appeal	-	-	-	-	-
(vii) MAT Credit Entitlement	6.82	1.12	-	-	-
	22.96	1.68	0.56	(0.00)	30.30
D. Others (specify nature)					
- Advance to Suppliers	143.10	6.63	-	12.58	1,604.58
- Advance to Staff	0.28	-	-	-	-
Retention Money	-	-	-	-	-
Deffered Asset	-	-	-	-	-
Suit Filed A/c	-	-	-	-	-
Deffered Revenue Expenditure					
- Advance to Others	-	-	-	-	-
- Other Prepaid Expenses	11.86	-	-	0.01	-
- Secured & Considered Good	-	-	-	-	-

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Advance Payment for Purchase of Fixed Asset	-	-	-	-	-
- Interest Receivable	-	-	-	-	-
- Other Receivables	-	-	-	-	-
	155.23	6.63	-	12.59	1,604.58
Total A+B+C+D	261.20	8.31	0.56	12.59	1,634.89

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

**ANNEXURE XXII  
(Amount in Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Domestic Sales					
Revenue from sale of products:- Mfg.(Net of Goods Return)	-	-	-	-	-
Revenue from sale of products:- Trading (Net of Goods Return)	1,936.83	861.20	1,197.52	1,183.92	1,207.36
Revenue from sale of products:-] (Net of Goods Return)	-	-	-	-	-
Export Sales					
Revenue from sale of products:- Mfg. (Net of Goods Return)	-	-	-	-	-
Revenue from sale of products:- Trading (Net of Goods Return)	12.34	177.32	-	-	4.09
Revenue from sale of products	1,949.16	1,038.52	1,197.52	1,183.92	1,211.45
Sale of services	-	-	-	-	-
Installation charges Annual Maintenance	77.23	23.06	14.77	57.08	64.58
Other operating revenues					
Trade Discount	-	-	-	-	-
Rent Income	-	-	-	-	-
Gross revenue from operations	2,026.39	1,061.57	1,212.29	1,241.00	1,276.03

Less: Adjustments	-	-	-	-	-
Net revenue from operations	2,026.39	1,061.57	1,212.29	1,241.00	1,276.03

**DETAILS OF OTHER INCOME AS RESTATED**

**ANNEXURE XXIII**

(Amount in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	Nature of Income
Custom duty recovered	1.89	3.96	-	-	-	Non Recurring & Related to Business Activities
Exchange gain on fluctuation	-	0.66	-	0.39	-	Recurring & Related to Business Activities
Freight charges recovered	-	1.52	0.59	-	-	Non Recurring & Related to Business Activities
Interest on FD	0.89	0.50	2.77	1.31	4.44	Recurring & Not Related to Business Activity
Other non-operating income						
Discount Received	0.37	5.23	1.68	1.45	0.25	Recurring & Related to Business Activities
Misc Income	2.29	1.12	0.49	0.92	0.90	Recurring & not Related to Business Activities
Total	5.45	13.00	5.52	4.07	5.58	

**DETAILS OF EMPLOYEE BENEFIT EXPNENSE AS RESTATED**

**ANNEXURE XXIV**

(Amount in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Salaries and Wages					
Salary and wages	93.51	77.65	98.89	115.17	114.00
Directors Remuneration	6.98	7.10	7.20	7.20	7.20
	100.49	84.75	106.09	122.37	121.20



Contribution to provident and other fund					
Contribution to provident and other funds for others	10.22	5.01	6.87	8.10	6.30
Provision for Gratuity	8.39	2.29	(0.90)	3.35	0.76
	18.61	7.30	5.97	11.45	7.06
Staff welfare Expenses					
Staff Welfare Expenses	3.46	0.19	0.84	0.86	1.74
	3.46	0.19	0.84	0.86	1.74
Total	122.56	92.24	112.91	134.68	130.00

## DETAILS OF FINANCE COST AS RESTATED

### ANNEXURE XXV

(Amount in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Interest					
Interest on short-term loans from Banks & FI	43.41	67.97	60.69	59.78	52.62
Interest on long-term loans from Banks & FI	0.96	-	1.95	8.25	15.64
Interest on Loan form Others	-	-	-	-	0.49
	44.37	67.97	62.63	68.03	68.75
Other Borrowing costs					
Provsion					
Other Borrowing costs	5.28	5.43	4.92	8.56	3.78
	5.28	5.43	4.92	8.56	3.78
Total	49.65	73.39	67.55	76.59	72.53

**DETAILS OF OTHER EXPENSE AS RESTATED**

**ANNEXURE XXVI  
(Amount in Lacs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Admin Charges	0.56	0.03	-	-	-
Advertisement & Publicity Expenses	-	-	0.34	1.26	0.41
Appeal Fees	0.04	-	-	0.01	-
Application Fees	0.08	-	-	-	-
Audit Fees	1.15	0.83	0.30	-	0.13
Business Exhibition	-	-	-	33.16	20.29
Business Promotion	1.75	0.42	0.14	0.31	-
Commission & Brokerage	0.56	0.46	1.95	9.17	9.35
Contractor fees	0.10	0.28	1.55	-	-
Conveyance Exp	1.64	1.74	0.84	0.24	-
Courier Exp	0.16	0.17	0.09	0.08	0.53
Custom Exp	-	-	22.39	18.19	6.49
Delivery Charges	0.39	0.01	-	-	0.00
Discount Exp	0.38	-	-	0.77	0.25
Electricity Exp	2.39	2.67	2.52	2.63	1.94
Encashment	-	-	0.33	-	-
Excise/ Custom Duty	-	-	1.00	2.82	0.40
Fees, dues & Taxes	0.66	-	-	-	-
Foreign Exchange fluctuation loss	0.10	-	4.69	-	0.20
Freight Exp	-	-	4.85	2.00	14.74
Installation Exp	-	-	-	3.23	1.73
Insurance Expenses	-	0.35	1.10	2.61	1.08
Internet Charges	0.19	0.11	0.10	0.12	0.16
Kasar / Discount	-	0.79	0.36	-	-
Labour Charges	-	-	0.64	0.29	0.89
Membership & Subscription	0.59	0.19	0.31	0.15	0.33
Misc Exp	2.22	0.16	0.71	0.80	1.34
Octroi Exp	-	-	1.52	2.14	0.05
Office maintenance expenses	5.87	0.94	2.36	5.87	14.95
Power & Fuel Expenses	-	-	1.14	1.83	-
Professional & Legal Charges	12.14	3.82	9.30	8.42	17.17
Professional Tax	-	-	-	-	0.03
Rent, Rates & Taxes	4.52	3.23	3.37	3.37	4.67
Repairs & Maintenance Expenses	1.05	0.51	0.87	0.64	0.44
ROC Charges for Increase of Authorised Capital	3.84	-	-	0.06	-
Service Charge	-	-	2.73	4.71	4.80
Stationery & Printing Exp	1.19	1.00	1.02	1.73	2.16
Swach Bharat Expenses	0.02	0.11	-	-	-
Technical Fees	0.25	-	-	-	-
Telephone Exp	4.20	4.60	3.44	2.67	2.55
Testing/Processing Charges	0.50	-	-	-	-
Trademark filling Charges	-	0.05	-	0.49	-
Travelling Exp	0.53	2.50	2.05	2.09	8.94
Transportation exp	1.51	-	0.13	0.45	2.17
Vehicle Running & Maintenance Exp	2.28	1.08	-	-	0.32
<b>Total</b>	<b>50.83</b>	<b>26.07</b>	<b>72.14</b>	<b>112.31</b>	<b>118.51</b>

**DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED**

**ANNEXURE XXVII**

**(Amount in Lacs)**

Name of the Party	Nature Of Relation	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction Debited upto 31.03.2018	Amount of Transaction Credited upto 31.03.2018	Amount Outstanding as on 31.03.18 (Payable) / Receivable
DABIR AHMED SHAMSUDDIN SHAIKH	DIRECTOR	DIRECTOR'S REMUNERATIONS	1.20	1.20	-	1.20	1.20	-	1.20	1.20	-	1.10	1.10	-	1.35	1.35	-
		UNSECURED LOAN	0.10	-	-	2.49	2.49	-	-	-	-	-	-	-	-	20.00	20.00
MAQSOOD DABIR	DIRECTOR	DIRECTOR'S	4.20	4.20	-	4.20	4.20	-	4.20	4.20	-	4.20	4.20	-	3.83	3.83	-

SHAIKH	R	REMUNERATIONS															
		UNSECURED LOAN	0.21	0.21	-	6.39	6.39	-	19.31	19.31	-	17.71	17.71	-	482.95	482.95	-
Innovative Solutions	PROPRIETORSHIP OF DIRECTOR	PURCHASE	45.69	27.27	35.95	150.35	128.13	58.17	98.28	111.91	44.55	25.53	85.53	(15.46)	309.28	293.82	-
Innovative Solutions	PROPRIETORSHIP OF DIRECTOR	SALE	569.36	85.55	1,552.11	499.62	1,523.04	528.69	575.70	325.33	779.06	598.47	489.52	888.02	35.71	923.73	-
Innovative Solutions	PROPRIETORSHIP OF DIRECTOR	TAKE OVER	-	-	-	-	-	-	-	-	-	-	-	-	86.60	86.60	-
TAZYEE	DIRE	DIRE	1.80	1.80	-	1.80	1.80	-	1.80	1.80	-	1.80	1.80	-	1.80	1.80	-

N MAQSO OD SHAIKH	CTO R	CTOR S REMU NERA TIONS															
		UNSE CURE D LOAN	1.97	1.97	-	2.65	2.65	-	3.48	3.48	-	3.87	3.87	-	238.17	238.17	-
Concept & Design	PROP RIET ORS HIP OF DIRE CTOR	PURC HASE	10.0 2	350. 31	(1,3 05.2 5)	1,47 8.22	180. 46	(7.49)	248.2 2	634.05	(393.31)	470.35	409.6 8	(332.65 )	836.79	504.14	-
Concept & Design	PROP RIET ORS HIP OF DIRE CTOR	SALE	8.48	-	36.6 0	11.2 3	30.0 0	17.83	6.98	-	24.81	66.19	4.11	86.89	28.37	115.26	-
Concept & Design	PROP RIET ORS HIP OF DIRE CTOR	TAKE OVER	-	-	-	-	-	-	-	-	-	-	-	-	12.17	12.17	-

Nazib Shaikh	Brother of Director	Salary	-	-	-	-	-	-	-	-	-	-	-	-	0.30	0.30	-
Sabiha Inamdar	Sister of Director	Sales	-	0.50	0.25	-	0.25	-	-	-	-	-	-	-	-	-	-
		Salary	1.01	(0.34)	2.78	3.88	(1.44)	2.12	1.01	(0.34)	0.34	-	-	1.14	1.35	(0.21)	-
Shagufta Shaikh	Sister of Director	Loan	-	-	-	-	-	-	-	-	0.55	0.55	-	0.95	0.95	-	-
Ibad Shaikh	Son of Director	Loan	-	-	-	-	-	5.58	5.58	-	1.55	1.55	-	32.90	32.90	-	-
Iram Shaikh	Daughter of Director	Loan	-	-	-	-	-	1.25	1.25	-	1.87	1.87	-	44.42	44.42	-	-
Bevel Design	Proprietorship of	Sales	-	-	-	-	-	-	-	-	-	-	-	166.46	-	166.46	-
		Consultancy Fees	-	-	-	-	-	-	-	-	-	-	-	-	20.20	20.20	-

	Concern of Managing director's daughter	Loans & Advances	-	-	-	-	-	-	-	-	-	-	-	103.01	20.00	83.01	-
--	--	------------------------	---	---	---	---	---	---	---	---	---	---	---	--------	-------	-------	---

**DETAILS OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED**

**ANNEXURE XXVIII**

**(Amount in Lacs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Restated PAT as per statement of profit & loss	308.79	96.76	1.36	15.56	50.26
Weighted average number of equity shares at the end of the year	6,624,262	3,000,000	2,400,000	1,200,000	1,200,000
No of Bonus Shares issued	-	2,400,000	3,000,000	4,200,000	4,200,000
Weighted average number of equity shares at the end of the year	6,624,262	5,400,000	5,400,000	5,400,000	5,400,000
No. of Equity Shares at the end of the year (Absolute in No.)	8,314,169	3,000,000	2,400,000	1,200,000	1,200,000
Net Worth , as Restated	1,336.79	678.29	581.54	580.18	564.62
Earnings Per Share					
Basic & Diluted (Rs)(Pre Bonus)	4.66	3.23	0.06	1.30	4.19
Basic & Diluted (Rs)(Adjusted EPS)	4.66	1.79	0.03	0.29	0.93
Return on net worth (%)	23.10%	14.26%	0.23%	2.68%	8.90%
Net Asset value per Equity Share	16.08	22.61	24.23	48.35	47.05
Nominal value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

Notes:

The ratios have been Computed as per the following formulas

Basic Earning per Share

Restated Profit after Tax available to equity shareholders  
Weighted average number of equity shares outstanding at the end of the year

Net Asset Value (NAV) per Equity Share

Restated Network of Equity Share Holders  
Number of equity shares outstanding at the end of the year

Return on Net Worth (%)

Restated Profit after Tax available to equity shareholders  
Restated Network of Equity Share Holders

Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.

Earning per share calculations are done in accordance with Accounting Standard 20 "Earning Per Share", issued by the Institute of Chartered Accountants of India.

Prior to Issue, the company has made the following changes in its capital structure, the effects of which have been considered in computing the above accounting ratios



During the FY 2013-14 company has issued and allotted 6,00,000 Bonus shares of Rs.10/ each(Face Value) wide a resolution passed at EGM of the company held at the registered office of the company on November 30,2013.

During the FY 2015-16 company has issued and allotted 12,00,000 Bonus shares of Rs.10/- each (Face Value)wide a resolution passed at EGM of the company held at the registered office of the company on September 30,2015.

During the FY 2016-17 company has issued and allotted 6,00,000 Bonus shares of Rs.10/- each (Face Value) wide a resolution passed at EGM of the company held at registered office of the company on March 30,2017.

During the FY 2017-18 company has issued and allotted 24,00,000 Bonus shares of Rs.10/- each(Face Value) wide a resolution passed at EGM of the company held at the registered office of the company on August 1,2017

During the FY 2017-18 company has issued and allotted 8,23,085 Equity shares of Rs.10/- each (Face Value)for Acquisition of Two Proprietorship firms wide a resolution passed at board meeting held at the registered office of the company on October 3, 2017.

During the FY 2017-18 company has issued and allotted 16,90,417 Equity shares of Rs. 10/- each(Face Value) by way of conversion of loan into equity wide a resolution passed at the board meeting held at the registered office of the company held on October 30,2017.

During the FY 2017-18 company has issued and allotted 4,00,667 Equity shares of Rs. 10/-(Face Value) each by way of conversion of loan into equity wide a resolution passed at the board meeting held at the registered office of the company on December 22,2017.

#### **CAPITALIZATION STATEMENT AS RESTATED AS AT MARCH 31, 2018**

#### **ANNEXURE XXIX**

**(Amount in Lacs)**

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<b>Borrowings:</b>		
Short-term Debt (A)	721.06	[●]
Long-term Debt (B)	57.33	[●]
Total debts (C)	778.40	[●]
<b>Shareholders' funds</b>		
Share capital	831.42	[●]
Reserve and surplus	505.37	[●]
Total shareholders' funds (D)	1,336.79	[●]
Long term debt / shareholders' funds (B/D)	0.04	[●]
Total debt / shareholders' funds (C/D)	0.58	[●]

Short term debts represent debts which are due within 12 months from March 31, 2018.

Long term debts represent debts other than short term debts, as defined above but includes current maturities of long term debt.

The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2018

## STATEMENT OF TAX SHELTERS AS RESTATED

## ANNEXURE XXX

(Amount in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Profit before tax, as restated (A)	431.81	145.37	1.97	23.29	72.94
Normal Corporate Tax Rate (%)	27.55	33.06	30.90	30.90	30.90
Minimum Alternative Tax Rate (%)	20.39	20.39	19.06	19.06	19.06
Adjustments :	-	-	-	-	-
Permanent differences	-	-	-	-	-
Expenses disallowed under Income Tax Act, 1961	13.86	-	-	-	-
Donation	-	-	-	-	-
Total permanent differences (B)	13.86	-	-	-	-
Income considered separately C.)	(0.89)	(1.57)	(2.77)	(1.31)	(4.44)
Timing differences	-	-	-	-	-
Depreciation as per Books	6.25	3.39	4.01	3.82	4.42
Depreciation as per IT Act	5.69	3.29	3.69	4.17	4.72
other disallowance(Timing Differences)	-	-	-	-	1.59
Other Disallowance including u/s. 43B	-	-	-	-	-
Gratuity	8.39	2.29	(0.90)	3.35	0.76
Total timing differences (D)	8.94	2.39	(0.58)	3.00	2.05
Net adjustments E = (B+C+D)	21.92	0.82	(3.34)	1.68	(2.39)
Tax expense / (saving) thereon	6.04	0.27	(1.03)	0.52	(0.74)
Income from other sources (F)	0.89	1.57	2.77	1.31	4.44
Exempt Income (G)	-	-	-	-	-
Income/(loss) (A+E+F-G)	454.61	147.76	1.39	26.29	74.99
Brought Forward Loss Set Off	-	-	-	-	-
Ordinary Business Loss	-	-	-	-	-
Unabsorbed Depreciation	-	-	-	-	-
Total	-	-	-	-	-
Taxable income/(loss)	454.61	147.76	1.39	26.29	74.99
Tax as per Normal Provision	125.25	48.85	0.43	8.12	23.17
Income/(loss) as per MAT	431.81	145.37	1.97	23.29	72.94
Brought Forward Loss Set Off	-	-	-	-	-
Taxable income/(loss) as per MAT	431.81	145.37	1.97	23.29	72.94
Income tax as per MAT	88.05	29.64	0.37	4.44	13.90
Tax paid as per "MAT" or "Normal Provisions"	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the years ended March 31, 2018, 2017 and 2016 including the related notes and reports, included in this Draft Red Herring Prospectus have been prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 20 and 19, respectively, and elsewhere in this Draft Red Herring Prospectus.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

### OVERVIEW

Our Company was originally incorporated as "Innovative Ideals and Services (India) Private Limited" at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently our Company was converted into a public limited company pursuant to Special Resolution passed by the members in Extra General Meeting held on August 30, 2017 and the name of our Company was changed to "Innovative Ideals and Services (India) Limited" vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U64201MH2000PLC129901. Subsequently our Company acquired the ongoing sole proprietorship business of "M/s. Innovative Solutions" i.e. Sole Proprietorship Concern of one of our Promoters Maqsood Shaikh vide Business Acquisition Agreement dated September 23, 2017 and ongoing sole proprietorship business of "M/s. Concept N Designs" i.e. Sole Proprietorship Concern of our promoters Tazyeen Shaikh vide Business Acquisition Agreement dated September 29, 2017. Consequently the ongoing Businesses of these proprietorship concerns were merged into "Innovative Ideals and Services (India) Limited"

We started the business as a proprietorship concern for trading of varieties of security equipment by importing those from Korea. With acquisition of proprietorship concerns and incorporation as a Company, we have gradually evolved from a trading company to a security solution provider. We are providing services of System Integration for security, safety and building automation and installation of various electronics systems. We provide a wide range of services with respect to security and electronic systems, such as, Video Door Phone, Audio Door Phone, Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products. Our Company targets the requirements of residential construction industry in B2B segment.

Our Company provides Video Door Phones under its own brand names, namely, "Onyx" and "Inok". Further, home automation solutions are provided under the brand name of "eHomes".

Strengthening its service to B2B segment, our Company introduced Fibre to the Home (FTTH) solutions in the residential projects which is a single line connection for Voice, Direct To Home and Broadband internet services. This fibre allows multiple Internet Service Providers (ISPs) to use the single fibre cable to provide their services.

Our Company has been known for catering to B2B segment, however, further to expand our product portfolio to reach B2C segment with a view of catering to a mass market, we have developed 2 innovative products, “Savior” and “ArmHer”, addressing the need of safety of the citizens in the country, primarily, children, women and senior citizens. Apart from this, we have also launched basic feature mobile phones which are sold under own brand name, “Inoyo”.

We are authorised distributor of FERMAX Electronica S.A.U. for their products FERMAX Audio/Video Door Entry System in the territory of India and hold valid certificate of distributorship until February 04, 2019. We have entered an agreement with Tata Sky Broadband Private Limited for provision of broadband services including installation, operation, security, maintenance and provision of access infrastructure to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune for the period of five years commencing from March 15, 2018 to March 14, 2023. We have also entered an agreement with Tata Sky Limited for provision of Direct to Home (DTH) services as an authorised distributor of Tata Sky to the residents / subscribers in the service Area i.e. Amanora Park Town, Pune for the period of five years commencing from March 15, 2018 to March 14, 2023.

Our strength lies in not just procuring, installing and commissioning the security system but to offer strong after sales service. We are being preferred by residential developers because of our trained staff for after-sales service to promptly respond to customers, through our well trained customer care call centre.

By completing more than 15 years of services, Innovative has provided its services to more than 21,800 apartments. Our Company continues to earn revenue from many of its projects through Annual Maintenance Contracts (AMC). One of our projects, Gundecha’s Valley of Flowers, which we have completed in year 2001 and continues to serve AMC till date, which is the reflection of our strong after sales service.

Founded by Maqsood Shaikh and Tazyeen Shaikh, our promoters have adequate experience in the line of business undertaken by the company and look after strategic as well as day to day business operations. With a sound experience backed by educational qualifications, it is the vision and dedication of our Promoters which have paved the growth path of our Company. Our Promoters believe in the ideology of continuous improvement and developing innovation and it is their vision to make our Company a competitive service provider with a global recognition.

We aim to provide cost effective solutions available while adhering to the quality standards of the service, delivery and quality. The company strives to establish relationships with clients and collaborate with them to drill down on the best solutions. We all are aware that safety and security threat is prevailing all over the world and has increased at an alarming level. We, at Innovative, understand the exact concerns of our customers, help them derive to the actual threat perception and suggest them a cascaded solution. Here by we start an everlasting relationship with our customers. Our teams of professionals are expert from designing to installation and providing proficient after sales service, which we consider a life line to security systems.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 20 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes in the laws, rules and regulations in the security systems industry and other industries where our products are used (e.g. real estate, office spaces, etc.)
- Competition from existing and new entrants;
- General economic and business conditions;

## **SIGNIFICANT ACCOUNTING POLICIES**

### **(A) Corporate Information:**

The Company was originally incorporated as “Innovative Ideals and Services (India) Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 06, 2000 bearing Corporate Identification Number U64201MH2000PTC129901 issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, The Company was converted into a Public Limited Company pursuant to Special Resolution passed by the members in Extra-Ordinary General Meeting held on August 30, 2017 and the name of The Company was changed to “Innovative Ideals and Services (India) Limited” vide a Fresh Certificate of Incorporation dated September 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of The Company is U64201MH2000PLC129901.

### **(B) Basis of Preparation:**

The Restated Summary Statements of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 have been compiled by management from the financial statements of the company for the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 1, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

### **(C) Significant Accounting Policies:**

#### **(a) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

**(b) Fixed Assets:**

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. CENVAT credit availed but not adjusted against excise duty payment is treated as CENVAT credit receivable and shown under 'Loans and Advances'. Fixed assets on which CENVAT credit is not availed is shown at full value.

**(c) Depreciation:**

Up to March 31, 2014 depreciation on fixed assets is provided on Written Down Value (WDV) Method. At the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f. April 1, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except non charging of 100% depreciation on assets costing below Rs. 5000/-. The carrying amount as on April 1, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

**(d) Revenue Recognition:**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

**(D) Foreign Currency Transactions:**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

**(E) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(F) Inventories:**

Inventories are valued at cost or net realizable value whichever is lower. Cost of Raw material includes value of goods & transport & any other incidental expense incurred to procure the inventory. Cost of finished goods includes cost of raw material consumed & any other direct expense incidental to manufacturing of goods

**(G) Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligations, other than the contribution payable to the provident fund.

**(H) Taxation:**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

**(I) Borrowing Cost:**

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(J) Segment Reporting:**

The Company provides integrated security and surveillance solutions with the latest state-of-the-art, high- tech electronic systems, such as Home Networking Systems, Video Door Phones, CCTV Systems, Fire Alarm Systems, Intrusion Alarm Systems, and Telecom Products. Considering the nature of the business of the organization, Company is operating in two geographical segments, i.e. Domestic & International market. However, Company has not maintained separate data for each segment and in absence of the same, we are unable to report on the same.

**(K) Provisions and Contingent Liabilities:**

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and 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. Contingent Assets are neither recognized nor disclosed in the financial statements.

*(Rs. in Lakhs)*

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
(a) Bank Guarantee/LC issued by Bank	28.47	26.89	29.24	195.14	10.25
(b) Claim against company not acknowledge as debt.	146.47	146.47	146.47	146.47	146.47

As we are unable to quantify amount for contravention of provision of Section 185 of Companies Act, 2013, no amount have been provided for the same in Contingent liability.

**(L) 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.

## OVERVIEW OF REVENUE AND EXPENSES

### Revenue and Expenses

Our revenue and expenses are reported in the following manner:

#### *Total Revenue*

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations comprises of revenue from domestic and export sale of various security and electronic system viz - IP CCTV & recording and storage solutions, Video Door Phones, Home Automation Devices, Mobile Phones and its accessories, networking (wired & wireless) & security solutions, fire detection systems, access control systems & auto gates, fire suppression, public address & conferencing systems, building management systems (BMS) and pro audio & board room solutions and providing of installation, after sale services, annual maintenance charges and allied services relating to these products.

*Other Income:* Our other income comprises of recurring income such as income from interest on term deposits, foreign exchange fluctuation gain and discount income. Apart from these there are some non-recurring income such as recovery of custom duty, recovery of freight charges and miscellaneous income.

#### *Expenses*

Our expenses comprise of purchase of stock-in-trade, changes in inventory of stock-in-trade, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

*Purchase of stock-in-trade:* Our purchase of stock-in-trade comprises of cost on account of purchases of various security and electronic system viz. - IP CCTV & recording and storage solutions, Video Door Phones, Home Automation Devices, Mobile Phones and its accessories, networking (wired & wireless) & security solutions, fire detection systems, access control systems & auto gates, fire suppression, public address & conferencing systems, building management systems (BMS) and pro audio & board room solutions for their trading sales.

*Change in inventory of stock-in-trade:* Our change in inventory of stock-in-trade comprise change in inventory level of traded goods during the period which is the difference of closing and opening balance.

*Employee benefit expenses:* Our employee benefit expenses include salary and wages, contribution to provident and other statutory funds, provision for gratuity, directors' remuneration and staff welfare expenses.

*Finance costs:* Our finance costs comprise of interest on term loans and working capital facility taken from banks and financial institutions. Our finance costs also include bank charges and loan processing fees.

*Depreciation and amortisation expenses:* Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

*Other expenses:* Our other expenses comprise of direct expenses such as custom duty expenses, freight expenses, installation expenses, labour charges, octroi charges, testing charges, technical fees and indirect expenses such as administrative and selling expenses which majorly in such as professional and legal fees, write off of bad debts, office maintenance charges, ROC charges, advertisement expenses, telephone expenses, rent rates and taxes, travelling expenses, electricity expenses, foreign exchange fluctuation loss, advertisement expenses, discount, commission and brokerage, business promotion expenses, business exhibition expenses etc. among others.

### Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years 2018, 2017 and 2016. The components of which are also expressed as a percentage of total revenue for such periods:



(Rs. in Lakhs)

Particulars	For the Year ended March 31,		
	2018	2017	2016
<b>Total Revenue:</b>			
Revenue from operations	2,026.39	1,061.57	1,212.29
As a % of Total Revenue	99.73%	98.79%	99.55%
Other income	5.45	12.99	5.52
As a % of Total Revenue	0.27%	1.21%	0.45%
<b>Total Revenue</b>	<b>2,031.84</b>	<b>1,074.57</b>	<b>1,217.81</b>
<b>Expenses:</b>			
Purchase of stock-in-trade	2,266.04	770.12	1,115.57
As a % of Total Revenue	111.53%	71.67%	91.60%
Change in inventory of stock-in-trade	(895.30)	(36.01)	(156.34)
As a % of Total Revenue	(44.06%)	(3.35%)	(12.84%)
Employee benefit expenses	122.56	92.24	112.91
As a % of Total Revenue	6.03%	8.58%	9.27%
Finance costs	49.65	73.39	67.55
As a % of Total Revenue	2.44%	6.83%	5.55%
Depreciation and amortization expense	6.25	3.39	4.01
As a % of Total Revenue	0.31%	0.32%	0.33%
Other expenses	50.84	26.06	72.14
As a % of Total Revenue	2.50%	2.43%	5.92%
<b>Total Expenses</b>	<b>1,600.04</b>	<b>929.20</b>	<b>1,215.85</b>
As a % of Total Revenue	78.75%	86.47%	99.84%
<b>Profit before exceptional, extraordinary items and tax</b>	<b>431.81</b>	<b>145.37</b>	<b>1.97</b>
As a % of Total Revenue	21.25%	13.53%	0.16%
Exceptional items	-	-	-
<b>Profit before tax</b>	<b>431.81</b>	<b>145.37</b>	<b>1.97</b>
PBT Margin	21.25%	13.53%	0.16%
Tax expense :			
(i) Current tax	125.25	48.85	0.43
(ii) Deferred tax	(2.23)	(0.24)	0.18
(iii) MAT Credit Entitlement	-	-	-
<b>Total Tax Expense</b>	<b>123.02</b>	<b>48.61</b>	<b>0.61</b>
<b>% of total income</b>	<b>6.05%</b>	<b>4.52%</b>	<b>0.05%</b>
<b>Profit for the year/ period</b>	<b>308.79</b>	<b>96.76</b>	<b>1.36</b>

Particulars	For the Year ended March 31,		
	2018	2017	2016
<b>PAT Margin</b>	<b>15.20%</b>	<b>9.00%</b>	<b>0.11%</b>

## FINANCIAL YEAR 2017-18 COMPARED WITH FINANCIAL YEAR 2016-17

### Total Revenue

Our total revenue increased by 89.09% to Rs. 2,031.84 lakhs for the financial year 2017-18 from Rs. 1,074.57 lakhs for the financial year 2016-17 due to the factors described below:

*Revenue from operations:* Our revenue from operations significantly increased by 90.89% to Rs. 2,026.39 lakhs for the financial year 2017-18 from Rs. 1,061.57 lakhs for the financial year 2016-17. The increase was mainly due to increase in revenue from sale of our products in domestic market by 124.90% to Rs. 1,936.83 lakhs for the financial year 2017-18 from Rs. 861.20 lakhs for the financial year 2016-17 and increase in revenue from installation and annual maintenance charges by 234.96% to Rs. 77.23 lakhs for the financial year 2017-18 from Rs. 23.06 lakhs for the financial year 2016-17. However, the increase was partially offset by decrease in our revenue from sale of our products in export market by 93.04% to Rs. 12.34 lakhs for the financial year 2017-18 from Rs. 177.32 lakhs for the financial year 2016-17. Our revenue increased significantly due to organic and inorganic growths. Our company acquired two ongoing sole proprietorship concern “M/s. Innovative Solutions” and “M/s. Concept N Designs” in the month of September 2017.

*Other income:* Our other income decreased by 58.04% to Rs. 5.45 lakhs for the financial year 2017-18 from Rs. 12.99 lakhs for the financial year 2016-17 mainly due to decrease in discount received by Rs. 4.86 lakhs, recovery of custom duty by Rs. 2.07 lakhs, recovery of freight charges by Rs. 1.52 lakhs and foreign exchange gain by Rs. 0.66 lakhs. However, the decrease was partially offset by increase in interest income on term deposits by Rs. 0.40 lakhs and miscellaneous income by Rs. 1.17 lakhs.

### Total Expenses

Our total expenses excluding tax increased by 72.20% to Rs. 1,600.04 lakhs for the financial year 2017-18 from Rs. 929.20 lakhs for the financial year 2016-17, due to the factors described below:

*Purchase of stock-in-trade:* Our purchase of stock-in-trade increased by 194.25% to Rs. 2,266.04 lakhs for the financial year 2017-18 from Rs. 770.12 lakhs for the financial year 2016-17 mainly due to increase in our sale of products by 87.69% to Rs. 1,949.16 lakhs for the financial year 2017-18 from Rs. 1,038.52 lakhs for the financial year 2016-17.

*Employee benefits expenses:* Our employee benefit expenses increased by 32.86% to Rs. 122.56 lakhs for the financial year 2017-18 from Rs. 92.24 lakhs for the financial year 2016-17. The increase was mainly due to increase in salary & wages by Rs. 15.86 lakhs, provision for gratuity by Rs. 6.10 lakhs, contribution to provident and other statutory fund by Rs. 5.21 lakhs and staff welfare expenses by Rs. 3.26 lakh. However, the increase was partially offset by decrease in director’s remuneration by Rs. 0.12 lakh. Our employee cost increased due to increase in number of employees of our company after acquisitions of proprietorship concerns i.e. “M/s. Innovative Solutions” and “M/s. Concept N Designs” in the month of September 2017. Our total number of employees as on March 31, 2018 were 51 as against 13 as on March 31, 2017.

*Finance costs:* Our finance costs decreased by 32.35% to Rs. 49.65 lakhs for the financial year 2017-18 from Rs. 73.39 lakhs for the financial year 2016-17. The decrease was mainly on account of decrease in interest on short term loans from bank and financial institutions by Rs. 24.55 lakhs and bank charges and processing fees by Rs. 0.14 lakh. However, the decrease was partially offset by increase in interest on long term loans from financial institutions by Rs. 0.96 lakh.

*Depreciation and amortisation expense:* Our depreciation and amortisation expenses increased by 84.18% to Rs. 6.25 lakhs for the financial year 2017-18 from Rs. 3.39 lakhs for the financial year 2016-17. The increased in our depreciation and amortisation expenses was mainly on account of

addition of motor vehicle of Rs. 15.77 lakhs, furniture & fixtures of Rs. 2.12 lakhs and intangible assets of 0.27 lakh in the fixed assets.

*Other expenses:* Our other expenses increased by 95.10% to Rs. 50.84 lakhs for the financial year 2017-18 from Rs. 26.06 lakhs for the financial year 2016-17. The increase was mainly due to increase in professional & legal charges by Rs. 8.32 lakhs, office maintenance expenses by Rs. 4.93 lakhs, ROC charges for filling by Rs. 3.84 lakhs, transportation expenses by Rs. 1.51 lakhs, business promotion expenses by Rs. 1.33 lakhs, rent, rate & taxes by Rs. 1.29 lakhs, vehicle running & maintenance expenses by Rs. 1.19 lakhs, fees, dues & taxes by Rs. 0.66 lakhs, repair & maintenance expenses by Rs. 0.54 lakh, admin charges by Rs. 0.53 lakh, testing/processing charges by Rs. 0.50 lakh, miscellaneous expenses by Rs. 2.06 lakhs, among others. However, the increase was partially offset by decrease in travelling expenses by Rs. 1.97 lakhs, discount expenses by Rs. 0.79 lakh, telephone expenses by Rs. 0.40 lakh, insurance expenses by Rs. 0.35 lakh and electricity expenses by Rs. 0.28 lakh, among others.

*Profit before tax:* Our profit before tax significantly increased by 197.05% to Rs. 431.81 lakhs for the financial year 2017-18 from Rs. 145.37 lakhs for the financial year 2016-17 due to the factors mentioned above.

*Tax expenses:* Our tax expenses significantly increased by 153.08% to Rs. 123.01 lakhs for the financial year 2017-18 from Rs. 48.61 lakhs for the financial year 2016-17 mainly due to increase in our profit before tax in the financial year 2017-18. The increase in our tax expenses was mainly on account of increase in current tax expenses by Rs. 76.40 lakhs.

*Profit after tax:* Our profit after tax significantly increased by 219.13% to Rs. 308.79 lakhs for the financial year 2017-18 from Rs. 96.76 lakhs for the financial year 2016-17 due to increase in our overall business activity.

## **FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16**

### ***Total Revenue***

Our total revenue decreased by 11.76% to Rs. 1074.57 lakhs for the financial year 2016-17 from Rs. 1217.81 lakhs for the financial year 2015-16 due to the factors described below:

*Revenue from operations:* Our revenue from operations decreased by 12.43% to Rs. 1061.57 lakhs for the financial year 2016-17 from Rs. 1212.29 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in revenue from sale of our products in domestic market by 28.09% to Rs. 861.20 lakhs for the financial year 2016-17 from Rs. 1197.52 lakhs for the financial year 2015-16. However, this decrease was partially offset by entrance of our products in export markets. Our revenue from sale products in export market was Rs. 177.32 lakhs for the financial year 2016-17 as compared to Nil for the financial year 2015-16. However, our revenue from installation and annual maintenance charges increased by 56.14% to Rs. 23.06 lakhs for the financial year 2016-17 from Rs. 14.77 lakhs for the financial year 2015-16.

*Other income:* Our other income increased by 135.27% to Rs. 12.99 lakhs for the financial year 2016-17 from Rs. 5.52 lakhs for the financial year 2015-16 mainly due to recovery of custom duty of Rs. 3.96 lakhs, increase in discount received by Rs. 3.55 lakhs, recovery of freight charges by Rs. 0.93 lakh and foreign exchange gain by Rs. 0.66 lakh. However, the increase was partially offset by decrease in interest income on term deposits by Rs. 2.27 lakhs.

### ***Total Expenses***

Our total expenses excluding tax decreased by 23.58% to Rs. 929.20 lakhs for the financial year 2016-17 from Rs. 1,215.85 lakhs for the financial year 2015-16, due to the factors described below:

*Purchase of stock-in-trade:* Our purchase of stock-in-trade decreased by 30.97% to Rs. 770.12 lakhs for the financial year 2016-17 from Rs. 1,115.57 lakhs for the financial year 2015-16 mainly due to decrease in our revenue from operations in the financial year 2016-17.

*Employee benefits expenses:* Our employee benefit expenses decreased by 18.30% to Rs. 92.24 lakhs for the financial year 2016-17 from Rs. 112.91 lakhs for the financial year 2015-16. The decrease was

mainly due to decrease in salary & wages by Rs. 21.24 lakhs, contribution to provident and other statutory fund by Rs. 1.86 lakhs, staff welfare expenses by Rs. 0.65 lakh and director's remuneration by Rs. 0.10 lakh. However, the decrease was partially offset by increase in provision for gratuity by Rs. 3.19 lakhs.

*Finance costs:* Our finance costs increased by 8.65% to Rs. 73.39 lakhs for the financial year 2016-17 from Rs. 67.55 lakhs for the financial year 2015-16. The increase was mainly on account of increase in interest on working capital loan from bank by Rs. 7.28 lakhs, bank charges and processing fees by Rs. 0.51 lakhs in the financial year 2016-17. However, the increase was partially offset by decrease in interest on long term loan by Rs. 1.95 Lakhs in the financial year 2016-17. The increase in interest of working capital was due to increase in rate of interest by 1% in 2016-17.

*Depreciation and amortisation expense:* Our depreciation and amortisation expenses decreased by 15.46% to Rs. 3.39 lakhs for the financial year 2016-17 from Rs. 4.01 lakhs for the financial year 2015-16.

*Other expenses:* Our other expenses decreased by 63.88% to Rs. 26.06 lakhs for the financial year 2016-17 from Rs. 72.14 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in custom duty expenses by Rs. 22.39 lakhs, professional and legal charges by Rs. 5.48 lakh, freight expenses by Rs. 4.85 lakhs, foreign exchange loss by Rs. 4.69 lakhs, service charges of Rs. 2.73 lakhs, octroi expenses of Rs. 1.52 lakhs, commission & brokerage by Rs. 1.49 lakhs, office maintenance expenses by Rs. 1.42 lakhs, contractor fees by Rs. 1.27 lakhs, power & fuel expenses of Rs. 1.14 lakhs and excise duty expenses of Rs. 1.00 lakh, among others. However, the decrease was partially offset by increase in telephone expenses by Rs. 1.16 lakhs, vehicle running & maintenance expenses of Rs. 1.08 lakhs, conveyance expenses by Rs. 0.90 lakh and audit fees by Rs. 0.53 lakh among others.

*Profit before tax:* Our profit before tax significantly increased by Rs. 143.40 lakhs to Rs. 145.37 lakhs for the financial year 2016-17 from Rs. 1.97 lakhs for the financial year 2015-16.

*Tax expenses:* Our tax expenses significantly increased by Rs. 48.00 lakhs to Rs. 48.61 lakhs for the financial year 2016-17 from Rs. 0.61 lakhs for the financial year 2015-16 mainly due to increase in our profit before tax in the financial year 2016-17.

*Profit after tax:* Our profit after tax significantly increased by Rs. 95.40 lakhs to Rs. 96.76 lakhs for the financial year 2016-17 from Rs. 1.36 lakhs for the financial year 2015-16.

#### **Other Key Ratios**

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2018, 2017 and 2016:

Particulars	For the year ended March 31,		
	2018	2017	2016
Fixed Asset Turnover Ratio	36.80	24.79	26.24
Inventory Turnover Ratio	1.73	1.50	1.98
Debt Equity Ratio	0.58	0.66	0.78
Current Ratio	1.58	1.41	1.34

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements. Intangible Assets have been included in calculation of Total Fixed Assets, however, Capital Work-in-Progress has not been included.

*Inventory Turnover Ratio:* This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Information.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

### **Cash Flow**

The table below summaries our cash flows from our Restated Financial Information for the financial years 2018, 2017 and 2016:

(Rs. in lakhs)

Particulars	For the year ended March 31,		
	2018	2017	2016
Net cash (used in)/ generated from operating activities	(277.14)	31.10	(50.88)
Net cash (used in)/ generated from investing activities	(297.40)	37.29	33.98
Net cash (used in)/ generated from financing activities	616.91	(77.84)	(17.21)
Net increase/ (decrease) in cash and cash equivalents	42.37	(9.44)	(34.11)
Cash and Cash Equivalents at the beginning of the period	6.33	15.77	49.88
Cash and Cash Equivalents at the end of the period	48.71	6.33	15.77

### **Operating Activities**

#### *Financial year 2017-18*

Our net cash used in operating activities was Rs. 277.14 lakh for the financial year 2017-18. Our operating profit before working capital changes was Rs. 486.81 lakhs for the financial year 2017-18 which was primarily adjusted by payment of income tax of Rs. 125.25 lakhs, increase in inventory of stock-in-trade by Rs. 895.30 lakhs, decrease in trade receivables by Rs. 146.17 lakhs, increase in other non-current assets by Rs. 107.00 lakhs, increase in other current liabilities by Rs. 78.50 lakhs, increase in trade payables by Rs. 66.47 lakhs, increase in short term provisions by Rs. 65.22 lakhs and increase in other non-current liabilities by Rs. 7.23 lakhs.

#### *Financial year 2016-17*

Our net cash generated from operating activities was Rs. 31.10 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 221.66 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 48.85 lakhs, increase in trade receivable by Rs. 218.56 lakhs, increase in short term provisions by Rs. 61.50 lakhs, increase in trade payables by Rs. 1.71 lakhs, increase in inventory of stock-in-trade by Rs. 36.01 lakhs, increase in other current liabilities by Rs. 49.24 lakhs and increase in other non-current liabilities by Rs. 0.43 lakh.

#### *Financial year 2015-16*

Our net cash used in operating activities was Rs. 50.88 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 70.76 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 0.43 lakhs, decrease in trade payables by Rs. 95.44 lakhs, decrease in other current liabilities by Rs. 212.54 lakhs, increase in inventory of stock-in-trade by Rs. 156.34 lakhs, decrease in trade receivables by Rs. 359.97 lakhs, decrease in short term provisions by Rs. 15.05 lakhs and decrease in other non-current liabilities by Rs. 1.82 lakhs.

#### ***Investing Activities***

##### *Financial year 2017-18*

Net cash used in investing activities was Rs. 297.40 lakhs for the financial year 2017-18. This was primarily on account of increase in short term loan and advances by Rs. 252.89 lakhs, increase in long term loan and advances by Rs. 26.90 lakhs and purchase of fixed assets worth Rs. 18.50 lakhs which was partially offset by receipt of interest income on term deposits of Rs. 0.89 lakh.

##### *Financial year 2016-17*

Net cash generated from investing activities was Rs. 37.29 lakhs for the financial year 2016-17. This was on account of decrease in long term loan and advances by Rs. 44.55 lakhs and receipt of interest income on term deposits of Rs. 0.50 lakh which was partially offset by increase in short term loan and advances by Rs. 7.75 lakhs.

##### *Financial year 2015-16*

Net cash generated from investing activities was Rs. 33.98 lakhs for the financial year 2015-16. This was primarily on account of decrease in short term loan and advances by Rs. 12.03 lakhs, decrease in non-current investment by Rs. 4.92 lakhs, receipt of interest income on term deposits of Rs. 2.77 lakhs and decrease in long term loan and advances by Rs. 14.26 lakhs.

#### ***Financing Activities***

##### *Financial year 2017-18*

Net cash generated from financing activities for the financial year 2017-18 was Rs. 616.91 lakhs primarily consisting of proceed from net issue of equity share capital of Rs. 349.70 lakhs, increase in short term borrowings by Rs. 270.09 lakhs and increase in long term borrowings by Rs. 46.76 lakhs which was partially offset by payment of interest and finance charges amounting to Rs. 49.65 lakhs.

##### *Financial year 2016-17*

Net cash used in financing activities for the financial year 2016-17 was Rs. 77.84 lakhs primarily consisting of payment of interest and finance charges amounting to Rs. 73.39 lakhs, decrease in short term borrowings by Rs. 4.44 lakhs.

##### *Financial year 2015-16*

Net cash used in financing activities for the financial year 2015-16 was Rs. 17.21 lakhs primarily consisting of payment of interest and finance charges amounting to Rs. 67.55 lakhs which was partially offset by increase in short term borrowings by Rs. 50.34 lakhs.

#### ***Financial Indebtedness***

As on March 31, 2018, the total outstanding borrowings of our Company was Rs. 778.40 lakhs comprising of long-term borrowings amounting to Rs. 46.76 lakhs, short-term borrowings amounting to Rs. 721.07 lakhs and current maturities of long term debt of Rs. 10.57 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 250 of this Draft Red Herring Prospectus.

(Rs. in lakhs)

<b>Particulars</b>	<b>As at March 31. 2018</b>
<b>Long Term Borrowings</b>	
<i>Secured Loan</i>	
-Vehicle Loan from Financial Institution	4.85
<i>Unsecured Loan</i>	
- Business Loan from Bank	41.91
<b>Sub Total (A)</b>	<b>46.76</b>
<b>Short Term Borrowings</b>	
<i>Secured Loans</i>	
-Working Capital Facility from Bank	581.27
-Business Loan from Financial Institutions	117.40
<i>Unsecured Loan</i>	
-Business Loan from Financial Institutions	22.40
<b>Sub Total (B)</b>	<b>721.07</b>
<b>Current Maturities of Long Term Borrowings (C)</b>	<b>10.57</b>
<b>Total (A)+(B)+(C)</b>	<b>778.40</b>

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

#### ***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS18, refer chapter titled “*Financial Statements*” beginning on page 185 of this Draft Red Herring Prospectus.

#### ***Contingent Liabilities***

Our Company had following Contingent Liabilities as of March 31. 2018:

(Rs. In lakhs)

Particulars	As of March 31, 2018
(a) Bank Guarantee/LC issued by Bank	28.47
(b) Claim against company not acknowledge as debt.	146.47
<b>Total</b>	<b>174.94</b>

#### ***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

#### ***Qualitative Disclosure about Market Risk***

##### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

##### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

##### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

##### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

##### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 185 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

##### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 185 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 01, 2015 up to March 31, 2018.

##### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

##### **Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.



### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 20 of this Draft Red Herring Prospectus.

### **Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations**

Other than as described in the section titled "*Risk Factors*" beginning on page 20 of this Draft Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled "*Risk Factors*" beginning on page 20 of this Draft Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

### **Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part "*Financial Year 2017-18 compared with financial year 2016-17 and Financial Year 2016-17 Compared With Financial Year 2015-16*" above.

### **Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our Company provides integrated security and surveillance solutions with the latest state-of-the-art, high-tech electronic systems, such as Home Networking Systems, Video Door Phones, CCTV Systems, Fire Alarm Systems, Intrusion Alarm Systems, and Telecom Products. Considering the nature of the business of the organization, Company is operating in two geographical segments, i.e. Domestic & International market. However, Company has not maintained separate data for each segment and in absence of the same, we are unable to report on the same.

### **Competitive Conditions**

We have competition with Indian and international manufacturers, traders and service providers and our results of operations could be affected by competition in the electronics products and security systems industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 20 of this Draft Red Herring Prospectus.

### **Increase in income**

Increases in our income are due to the factors described above in in this chapter under "*Significant Factors Affecting Our Results of Operations*" and chapter titled "*Risk Factors*" beginning on page 20 of this Draft Red Herring Prospectus.

### **Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

### **Significant Dependence on a Single or Few Suppliers or Customers**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company's customer and supplier vis a vis the total revenue from operations respectively as of March 31, 2018 is as follows:

<b>Particulars</b>	<b>Customers</b>	<b>Suppliers</b>
<b>Top 5 (%)</b>	60.84%	66.96%
<b>Top 10 (%)</b>	84.90%	73.05%

### **Seasonality of Business**

The nature of business is not seasonal.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks, financial institution and others from time to time for conducting its business. As on March 31, 2018, our company has total outstanding secured borrowing aggregating amount to Rs. 706.76 lakhs. Set forth below is a brief summary of our Company's secured and unsecured borrowings from banks, financial institution and others based on our restated financial statements as on March 31, 2018 together with a brief description of certain significant terms of such financing arrangements.

### SECURED BORROWINGS

#### 1. Loan from Bank of Maharashtra as per Sanction Letter dated March 29, 2017 and Renewal Letter dated June 07, 2018.

Nature of Facility	Sanctioned Amount	Rate of Interest	Tenor/Repayment schedule	Primary Security	Outstanding As on March 31, 2018
<b>Working Capital Facility</b>					
1) Cash Credit	Rs. 575.00 Lakhs	MCLR + BSS + 3.00%= 12.00% p.a. (with monthly rests)	Annual	Hypothecation of Stock and Receivables (Receivables up to 90 days to be considered for calculation of DP)	Rs. 581.27 Lakhs
2) Bank Guarantee	Bank Guarantee Limit of Rs. 30.00 lakhs with margin of 25%. In form of term deposits.				Rs. 28.47 Lakhs
<b>Collateral Security</b>	<p>1). Equitable mortgage of office premises No. 202, 2<sup>nd</sup> Floor, E Wing, Deshmukh Park Building, Skypark CHS Ltd., Near Oshiwara Garden, CTS No. 154 &amp; 155, of Village – Pahadi, Ajit Glass Factory Road, Jogeshwari (West), Mumbai – 400102, Owned by M/s. Ideals and Service India Private Limited.</p> <p>2). Additional charge on Equitable mortgage of flat No. – 604, 6<sup>th</sup> Floor, Bhagwati CHS. Ltd., Plot No. 68, Yari Road, Andheri West, Mumbai – 400061, owned by Mr. Maqsood Dabir Shaikh and Mrs. Tazyeen Maqsood Shaikh.</p>				
<b>Personal Guarantee</b>	<p>1) Dabir Shaikh                  2) Maqsood Shaikh                  3) Tazyeen Shaikh</p>				

#### Key Restrictive Covenants :

- 1) The borrower is prohibited from using the loan amount or any part thereof for any purpose other than for which it has been sanctioned and in case of violation, the bank has a right to recall the loan amount or any part thereof at once not withstanding anything contrary to the above or any other contract.
- 2) The company should not make any drastic change in their management set up without the bank's permission.
- 3) The sanction accorded by the bank does not vest any one right to claim any damages against the bank for any reason whatsoever.
- 4) The bank reserves the right to transfer part or full credit to any other FI/ Bank/ Asset Reconstruction company/ Institution.
- 5) Company shall not declare any dividend unless satisfactory arrangements are made for debt servicing.
- 6) The Company shall undertake to inform the bank about the following (during the currency of the bank's credit facilities).
  - a. Any changes effected in their capital structure.
  - b. Any scheme of amalgamation or reconstruction formulated by the company.
  - c. Any new project or expansion scheme undertaken.
  - d. Any investment made in other concern by way of share capital or advance funds or

deposits. Normal trade credit or security deposits in usual course of business or advances to employees are however, not covered by this covenants;

- e. Any borrowing arrangements entered into, either secured or unsecured, with any other bank, financial institution, company or otherwise, except for those arranged as part of means of finance of the present project;
- f. Guarantee obligations undertaken on behalf of any other company.
- g. Any change in their management set up.

**2. Loan of Rs. 200.00 Lakhs from ShapoorjiPallonji Finance Private Limited as per sanction letter dated March 12, 2018.**

<b>Nature of Facility</b>	<b>Short Term Loan</b>
Loan Amount	Rs. 200.00 Lakhs
Rate of Interest	11.00%
Tenor	180 days from disbursement
Primary Security	Hypothecation of Financing Documents includes sanction letter, all other agreements, instruments, undertaking, indentures, promissory notes, deeds, writings and other documents (whether security, financing or otherwise) executed or entered into by the borrower or as the case may be, any other person, in relation, or pertaining to the transactions contemplated by, or under this agreement and each financing document as amended from time to time.
Amount Outstanding as on March 31, 2018	Rs. 117.40 Lakhs

**3. Loan of Rs. 15.50 Lakhs from Tata Capital Financial Services Limited**

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	Rs. 15.50 Lakhs
Rate of Interest	18.00%
EMI Amount	Rs.39,150
Tenor	48 Months
Primary Security	Hypothecation of Motor vehicle having model Mercedes A Class
Amount Outstanding as on March 31, 2018	Rs. 8.09 Lakhs

**UNSECURED BORROWING FROM NBFC/ FINANCIAL INSTITUTIONS**

**1. Loan of Rs. 50.00 Lakhs from HDFC Bank Limited**

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	Rs. 50.00 Lakhs
Rate of Interest	15.50%
EMI Amount	Rs.140424
Tenor	48 Months
Amount Outstanding as on March 31, 2018	Rs. 49.24 Lakhs

**2. Loan of Rs. 25.00 Lakhs from India Infoline Finance Limited**

<b>Nature of Facility</b>	<b>SME Business Loan</b>
Loan Amount	Rs. 25.00 Lakhs
Rate of Interest	17.00%
EMI Amount	Rs.3,00,979
Tenor	12 Months
Amount Outstanding as on March 31, 2018	Rs. 22.40 Lakhs

**UNSECURED BORROWING FROM OTHERS**

As on March 31, 2018, our company does not have any outstanding unsecured loan from others.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil 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 (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

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 September 4, 2018 determined that outstanding dues to creditors in excess of Rs. 15 lakhs as per last audited financial statements shall be considered as material dues (“**Material Dues**”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds Rs. 15 lakhs as determined by our Board, in its meeting held on September 4, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Draft Red Herring Prospectus.

#### **LITIGATIONS INVOLVING OUR COMPANY**

#### **LITIGATIONS AGAINST OUR COMPANY**

##### **Criminal Litigations**

Nil

##### **Civil Proceedings**

#### **1. KALPATARU PROPERTIES PRIVATE LIMITED. V. INNOVATIVE IDEALS & SERVICES (I) PRIVATE LIMITED**

Kalpataru Properties Private Limited (hereinafter referred as ‘**Operational Creditor**’) is a part of Kalpaturu Group of Companies which is engaged in the business of real estate development

and allied activities for more than 45 years. The Operational Creditor is constructing a project 'Kalpataru Splendor' at Pune with around 188 flat/ apartment units. Our Company approached the Operational Creditor offering to supply video door phones and home automations systems units for the said project. Operational Creditor after relying on the categorical representation issued Letter of Intent dated February 15, 2012 to our Company for installation of Innovative KoCom video door phone system along with Innovative E Homes – wireless home automation system. The Operational Creditor placed purchase orders amounting to Rs. 1,75,17,819/-. There was a short supply of 3 modules and the Operational Creditor thus filed a petition bearing no-984 of 2016 under Rule 6 (1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as the 'Code') against our Company which is transferred before National Company Law Tribunal, Mumbai (hereinafter referred as the 'NCLT') by Ministry of Corporate Affairs vide the Companies (Transfer of Pending Proceedings) Rules, 2016 notification dated December 07, 2016. A claim of **Rs. 42,29,060/- along with interest of Rs. 8,37,006 at the rate 24% p.a. from June 05, 2015 till March 31, 2016** is made against our Company. Additionally, the Operational Creditor has made a claim of being entitled to recover an interest at the rate 24% p.a. from March 31, 2016 until final payment is made. This matter is currently pending.

**2. AURA REAL ESTATE PRIVATE LIMITED (NOW KALPATARU RETAIL VENTURES PRIVATE LIMITED) V. INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED**

Aura Real Estate Private Limited(hereinafter referred as the 'Operational Creditor') is a part of Kalpataru Group of Companies which is engaged in the business of real estate development and allied activities for more than 45 years. Operational Creditor is making a vase project in the name of Kalpataru Harmony at Pune with 241 flats. In 2012, our Company approached the Kalpataru Group offering to supply Video Door Phones and Home Automation System Units for Kalpataru Harmony project. Kalpataru Group issued Letter of Intent (LOI) to our Company dated February 15, 2012 based on the quotation of our Company dated February 02, 2012. Pursuant to LoI purchase orders worth Rs. 1,55,42,096/- were made. Out of the purchase orders two of them were partly delivered and corresponding tax invoices were raised. Thus, the operational debt is with regard to home automation system units. The Operational Creditor has filed a company petition bearing petition no-(L) 985 of 2016 before the High Court for winding up of the our Company. However, the said petition (now 470 of 2017) was transferred by Ministry of Corporate Affairs vide the Companies (Transfer of Pending Proceedings) Rules, 2016 notification dated December 07, 2016 before National Company Law Tribunal (hereinafter referred as 'NCLT'). The said Petition was converted to TCP No. 470 of 2017 and initiated under Rule 6 (1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the 'IBC') The Operational Creditor has debt of **Rs. 54,21,295/- and interest of Rs. 10,72,971/- at the rate of 24% p.a. from June 05, 2015 to March 31, 2016** and further **interest at the rate of 24% p.a.** from March 31, 2016 till the realization of claim. The Operational Creditor also made allegation for overcharging price for video door phones and home automation system unit by the Company. During the pendency of this matter, the Operational Creditor got amalgamated with Kalpataru Retail Ventures Private Limited through the NCLT order dated July 20, 2017 in company scheme petition number 478 of 2017. The petition for amalgamation was allowed. The Operational Creditor has filed miscellaneous application number 633 of 2017 before the NCLT to amend the name from Aura Real Estate Private Limited to Kalpataru Retail Ventures Private Limited. The said amendment application was allowed vide order dated March 21, 2018. This matter is currently pending.

**Taxation Matters**

**INCOME TAX PROCEEDINGS:**

**1. INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED V. ASSISTANT COMMISSIONER OF INCOME TAX, CIRCLE 12 (2)(2) [FOR AY 2009-10]**

Our Company is engaged in the business of trading of security system and office administration system. Our Company had filed return of income for AY 2009-10 on September 29, 2009 declaring total income of Rs. 37,36,959/-. The income of the Assessee was processed under Section 143 (1) of the Income Tax Act, 1961 (hereinafter referred as the '**I.T.Act**'). The Sales Tax Department through Directorate General of Income Tax (Investigation), Mumbai received an information pertaining to bogus purchases made by our Company, whereby it was found that income to the tune of Rs. 79,45,552/- had escaped assessment and it was required to be reassessed and notice under Section 148 of the I.T. Act was issued on March 21, 2013. The Assistant Commissioner of Income Tax, Circle 12(2)(2), Mumbai (hereinafter referred as "**Assessing Authority**") issued another notice dated September 15, 2014 under Section 142 (1) read with Section 129 of the I.T. Act calling our Company for personal hearing. The Assessing Authority passed an assessment order dated February 16, 2015 under Section 143 (3) read with Section 147 of the I. T. Act. The Assessing Authority noted that parties to these bogus purchases are hawala parties and made addition to the tune of Rs. 31,85,372/- being Gross Profit of the Assessee @ 40.09% on total bogus purchases of Rs. 79,45,552/-. The total income of our Company was assessed at Rs. 69,22,331/- and penalty proceeding were initiated separately for furnishing inaccurate particulars of income leading to concealment of income. The notice of demand dated February 16, 2015 under Section 156 of the I.T. Act was issued for a sum payable amounting to **Rs. 19,91,580/-**. Being aggrieved by the assessment order, our Company preferred an appeal having number CIT(A)-20/ACIT-12(2)(1)/IT-194/2014-15 before the Commissioner of Income Tax (Appeals) (hereinafter referred to as the "**Appellate Authority**"). The Appellate Authority passed an appellate order dated February 25, 2016 under Section 143 (3) read with Section 147 of the I.T. Act. The Appellate Authority upheld the order passed by the Assessing Authority. Being aggrieved by this appellate order, our Company filed a second appeal bearing ITA number 3239/Mum/2016 before the Income Tax Appellate Tribunal, J Bench, Mumbai (hereinafter referred to as the "**Appellate Tribunal**"). The Appellate Tribunal passed an order dated January 30, 2018 that a reasonable profit at the rate of 15% on the bogus purchases will meet the end of justice. The Appellate Tribunal further directed the Assessing Authority to compute income by applying 15% of profit rate on the bogus purchases, thereby partly allowing the appeal. Our Company has made an application dated February 28, 2018 to the Assessing Authority to give effect to the order passed by the Appellate Tribunal. Our Company has already made payment of **Rs. 9,43,150/-** which is to be adjusted against reduced income tax demand and refund of balance along with interest after giving effect to the order of Appellate Tribunal. This matter is currently pending.

## 2. **FOR AY 2010-11**

Our Company is a dealer in items of security systems of various types. The filed its return of income on October 14, 2010 at total income of Rs.59,46,615/-. The income was processed under Section 143 (1) of the Income Tax Act, 1961 (hereinafter referred to as the "**I.T. Act**"). Information was received from the Sales Tax Department through Directorate General of Income Tax (Investigation), Mumbai pertaining to bogus purchases. On perusal of such information, it was found that our Company had made bogus purchases of Rs. 2,21,04,580/- during AY 2010-11. This income was required to be re-assessed. A notice under Section 148 of the I.T. Act was issued on March 12, 2015. The Assistant Commissioner of Income Tax 12(2) (2), Mumbai (hereinafter referred as '**Assessing Authority**') re-opened the assessment and passed an Assessment Order dated March 17, 2016 under Section 147 of the I.T. Act making additions of Rs. 55,08,461/- being alleged bogus purchases as the Gross Profit for the year is 24.92%. The total income of the Assessee was re-assessed at Rs. 1,14,55,080/- A penalty proceedings under Section 271 (1)(c) of the I.T. Act are initiated separately for furnishing inaccurate particulars of income. A notice of demand dated March 17, 2016 under Section 156 of the I.T. Act was issued demanding total tax payable of **Rs. 36,45,590/-**. Being aggrieved by the assessment order, our Company filed an appeal dated April 23, 2016 under Section 246A of the I.T. Act before the Commissioner of Income-Tax (Appeals) (hereinafter referred to as the "**Appellate Authority**") for deletion of additions made in the assessment order. Further, the Assessing Authority issued notice bearing reference number ACIT/12(2)(2)/Demand

Recovery/2016-17 dated July 22, 2016 for 'Recovery of Income Tax Demand' displaying an amount outstanding of Rs. 36,45,590/- for the AY 2010-11 against our Company. Our Company vide challans dated September 14, 2016, January 10, 2017 and April 07, 2017 made a payment of 15% of Rs. 36,45,590/- that is **Rs.5,50,000/-**. The matter is currently pending.

**3. FOR AY 2012-13**

As per communication received from Income Tax Department dated February 27, 2016 there is refund determined in AY 2015-16 adjusting all the demands determined in the previous years. However, as per Income Tax Department's website under the head- 'Response to Outstanding Tax Demand' head for our Company displays outstanding demand of **Rs. 1,52,561/-** under Section 220 (2) of the I.T. Act vide notice dated April 05, 2017 under Section 245 of the I.T. Act. The matter is currently pending.

**4. FOR AY 2015-16**

As per communication received from Income Tax Department dated February 27, 2016 there is refund determined. However, as per Income Tax Department's website under the head- 'Response to Outstanding Tax Demand' head for our Company displays outstanding demand of **Rs. 1,21,790/-** under Section 143 (3) of the I.T. Act vide notice dated December 13, 2017 under Section 245 of the I.T. Act. The matter is currently pending.

**VALUE ADDED TAX AND CENTRAL SALES TAX PROCEEDINGS:**

**5. FOR AY 2009-10**

Our Company is engaged in the activity of works contractor and reseller in security systems. The period of return filing was monthly and our Company made a delay in filing the return. The Assistant Commissioner of Sales Tax ("ACST") passed an assessment order dated June 21, 2013 disallowing and levying tax at the rate of 4% and 12.5% for which tax liability under CST Act as follows:

- i) CST levied at Rs. 8,94,549/-;
- ii) interest under Section 9 (2B) of CST Act read with Section 30 (3) was levied at Rs. 5,92,639/- and
- iii) penalty under Section 9 (2B) of CST Act read with Section 29 (3) was imposed at Rs. 8,94,549/-

Thus, net amount payable of **Rs.23,81,737/-**

ACST passed an assessment order dated June 21, 2013 determining the following:

- i) VAT liability at Rs. 30,06,839/-
- ii) Set-off under allowed under Rule 52 at Rs. 12,48,314/-
- iii) Dealer has paid amount with return of Rs. 1,25,268/-
- iv) Balance payable Rs. 16,33,257/-
- v) Interest levied under Section 30 (3) of the Maharashtra Value Added Tax Act, 2002 (MVAT) at Rs. 10,82,033/-
- vi) Penalty under Section 30 (3) of MVAT at Rs. 30,06,839/- and penalty under Section 29 (4) of MVAT at Rs. 3,16,569/-.

Thus, net amount payable of **Rs. 46,65,116/-**. Deputy Commissioner of Sales Tax (App-VI), Mumbai granted interim stay order number DC-VI/1984/13-14 dated October 27, 2015 under section 26 of the Maharashtra Value Added Tax Act, 2002 against the order passed by ACST for CST and VAT dues. The Assistant Commissioner of Income Tax filed an appeal before the Deputy Commissioner (Appeals) VI, Mumbai. The matter is currently pending.



**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Proceedings against Our Company for economic offences/securities laws/ or any other law**

Nil

**Penalties in Last Five Years**

Nil

**Pending Notices against our Company**

Nil

**Past Notices to our Company**

Nil

**Disciplinary Actions taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material frauds against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATIONS FILED BY OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

**1. INNOVATIVE IDEALS AND SERVICES (INDIA) PVT LTD V. PEBBLE BAY DEVELOPERS PRIVATE LIMITED**

Our Company filed a civil suit dated August 01, 2013 bearing no. 2374 of 2013 before Bombay City Civil Court, Borivali Division, Goregaon, Mumbai (hereinafter referred to as the “**Court**”) against Pebble Bay Developers Pvt. Ltd. (hereinafter referred as the “**Defendant**”). The suit was filed for recovery of payments of Rs. 56,16,261/- along with future interest @ 12% p.a. from the date of suit till the date of realization of entire claim. The Court passed an ex-parte decree dated September 30, 2014 directing the Defendant to pay an amount of **Rs. 56,16,261/- with future interest @ 12% p.a. from the date of suit till realization of entire claim** and court fee refunded to plaintiff as per rule. The Court passed an order dated January 16, 2018 allowing notice of motion number 970 of 2017 subject to cost of Rs. 10,000/- to be paid to our Company or to be deposited in the Court. After compliance the ex-parte decree was set aside and suit to be restored back to original summary suit. The matter is currently pending.

**2. INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED V KALPATARU PROPERTIES PRIVATE LIMITED.**

Our Company filed a summary suit number 804 of 2017 under Order XXXVII of the Civil Procedure Code, 1908 before the Bombay City Civil Court at Dindoshi (hereinafter referred to as the “**Court**”) against Kalpataru Properties Private Limited (hereinafter referred to as the “**Defendant**”). This summary suit was filed against the Defendant for recovery of a sum of **Rs. 8,82,939/- along with future interest @ 24% p.a. on an amount of Rs. 5,13,533/- from the date of filing of the suit till payment and/or realization.** The Defendant submitted a reply to

the Court informing the pendency of the case before National Company Law Tribunal pertaining to the same matter. The matter is currently pending.

**3. INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED VAURA REAL ESTATE PRIVATE LIMITED AND KALPATARU RETAIL VENTURES PRIVATE LIMITED**

Our Company filed a summary suit number 809 of 2017 before the Bombay City Civil Court at Dindoshi (hereinafter referred to as the “Court”) against Kalpataru Properties Private Limited (hereinafter referred to as the “Defendant”). This summary suit was filed against the Defendant for recovery of a sum of **Rs. 7,44,257/- along with further interest @24% p.a. on principal amount of Rs. 4,34,535/- till actual payment and/or realization.** The Defendant submitted a reply to the Court informing the pendency of the case before National Company Law Tribunal pertaining to the same matter. The matter is currently pending.

**4. INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED V. FIREPRO SYSTEMS PRIVATE LIMITED**

A petition number SSL/771/2012 dated March 21, 2012 was filed under Code of Civil Procedure, 1908 before the High Court of Bombay. The said case was transferred to City Civil Court on October 03, 2012 under monetary suit category. As per the Company, there has been out of the court settlement in the matter. However, there has been no such update on the official website pertaining to withdrawal of matter. The matter is currently pending.

**5. INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED V. FIREPRO SYSTEMS PRIVATE LIMITED**

Another petition number LPETNL/716/2012 was filed dated July 25, 2012 pertaining to main matter SSL/771/2012. The matter is at pre-admission under the category leave petition under Clause XII. As per the Company, there has been out of the court settlement in the matter. However, there has been no such update on the official website pertaining to withdrawal of matter. The matter is currently pending.

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**

**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

**Directors on list of wilful defaulters of RBI**

Nil

**LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**

**LITIGATIONS AGAINST OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

#### **LITIGATIONS FILED BY OUR PROMOTER/S**

##### **Criminal Litigations**

Nil

##### **Civil Proceedings**

Nil

##### **Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

#### **LITIGATIONS INVOLVING OUR GROUP COMPANIES**

**AS ON DATE OF THIS DRAFT RED HERRING PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY GROUP COMPANY.**

#### **LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

**AS ON DATE OF THIS DRAFT RED HERRING PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY.**

#### **OTHER MATTERS**

Nil

#### **DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

#### **OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

Nil

#### **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 234 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

#### **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of March 31, 2018, our Company had 43 creditors, to whom a total amount of Rs. 564.28 lakhs were outstanding. As per the requirements of SEBI ICDR Regulations, our Company, pursuant to a resolution of our Board dated September 4, 2018 considered creditors to whom the amount due

exceeds Rs. 15 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Creditors</b>	<b>Amount (Rs. in Lakhs)</b>
Adjuvant Technologies Private Limited (Indigenous)	325.90
Kocom Co Limited (Foreign party)	292.58
Smartech Industry (China) Company Ltd (Foreign)	83.89
Derrick Elevators Private Limited (Indigenous)	36.89
Space Corporation (Indigenous)	35.49
Uma Converter Private Limited (Indigenous)	19.11

Further, none of our creditors have been identified as micro enterprises and small-scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.innovative.in](http://www.innovative.in).

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.innovative.in](http://www.innovative.in), would be doing so at their own risk.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of supplying of products for security systems and home automation and home networking systems/ trading of telecom and securities products, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 148 of this Draft Red Herring Prospectus.

The Company has its business located at:

**Registered Office:** E-202, 2nd floor, Skypark, Near Oshiwara Garden, off Ajit Glass Road, Oshiwara, Goregoan (West), Mumbai – 400104, Maharashtra, India.

**Branch Offices:** B-401, Pargengar Kondana Budruk, Near Shoba Carnations Kodhwa, Pune – 411 048, Maharashtra, India.

**Warehouse:**

1. 73/74, Paras Complex, Kolhe Village, Near Palaspa Phata, Panvel Taluka, District Raigad, Maharashtra, India
2. Shop No. 4, Ground Floor, Khatri Enclave Co-operative Housing Society Limited, Pereira Compound, Behram Baug, Jogeshwari (W), Mumbai – 400 102, Maharashtra, India.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

**Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on September 22, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Annual General Meeting held on September 25, 2017 authorized the Issue.

**In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

**Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated September 28, 2017 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Pvt. Ltd., for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated October 12, 2017 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Pvt. Ltd., for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE492Y01011.

## INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated December 06, 2000 issued by the Registrar of Companies, Mumbai, Maharashtra in the name of “INNOVATIVE IDEALS AND SERVICES (INDIA) PRIVATE LIMITED”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on September 21, 2017 by the Registrar of Companies, Mumbai in the name of “INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED”.
3. “M/S. INNOVATIVE SOLUTIONS” and “M/S. CONCEPTS N DESIGNS” sole proprietorships were acquired by executing Business Acquisition Agreements on September 23, 2017 and September 29, 2017 by Innovative Ideals and Services (India) Limited.
4. The Corporate Identification Number (CIN) of the Company is U64201MH2000PLC129901

## APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./Reference No./ License No.	Date of Issue	Date of Expiry
1	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	0303084901	March 22, 2004	In case of Change of name of Company, the IEC holder will cease to Import or Export against it unless after 90 days from the date of change the change are effected in the IEC by Licensing Authority
2	Registration Certificate of Establishment for <b>Registered Office</b> (under Maharashtra Shops and Establishments Act, 1948 and rules made thereunder)	Inspector under Maharashtra Shops and Establishment Act, 1948	762154750/ Commercial II	January 06, 2017 Renewed: December 31, 2018	December 30, 2019
3	Registration	Inspector under	760214447/	September	December 31,

Sr. No.	Description	Authority	Registration No./Reference No./ License No.	Date of Issue	Date of Expiry
	Certificate of Establishment for <b>Warehouse 1</b> in name of Gaurav Enterprise (under Maharashtra Shops and Establishments Act, 1948 and rules made thereunder)	Maharashtra Shops and Establishment Act, 1948	Commercial II	14, 2011 Renewed: January 01, 2018	2018
4	Notice of intimation under Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018	Office of the Deputy Commissioner of Labour, Raigad, District- Raigad	Receipt Number: 1810300312020778	June 05, 2018	NA
5	Udyog Aadhar Memorandum	Office of Ministry of Micro, Small and Medium Enterprises, Government of India	MH18A0014412	April 24, 2018 Date of Filing: October 30, 2017	NA

#### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAACI9568E	NA	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited, Government of India	MUMI04015E	Not ascertainable	Perpetual



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
3.	Certificate of Registration (Goods and Service Tax)	Government of India	27AAACI9568E1Z B	February 16, 2018	NA
4.	Certificate of Registration (under Section 16 of Maharashtra Value Added Tax Act, 2002 read with Rule 9 of the Maharashtra Value Added Tax Rules, 2005)	Sales Tax Officer, Sales Tax Department, Mumbai	TIN - 2707002462V MH01 V 137680	April 1, 2006	NA
5.	Certificate of Registration Central Sales Tax (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Sales Tax Officer, Sales Tax Department, Mumbai	TIN – 2707002462C MH01 C 359807	April 1, 2006	NA
6.	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Excise Officer, Central Board of Excise and Customs, Ministry of Finance- Department of Finance  Office of the Commissioner of Central Excise, Mumbai	AAACI9568EST001	January 14, 2004	NA
7.	Professional Tax Enrollment Certificate (PTEC) (under section 3 (2) of Maharashtra State Tax on Professions, Trades, Callings	Government of Maharashtra, Government of India.	27145056675P	Not traceable	NA

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	and Employments Act, 1975)				
8.	Professional Tax Registration Certificate (PTRC)  (under section 4 of Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975)	Government of Maharashtra, Government of India.	27145056675P	Not traceable	NA

#### **LABOUR RELATED APPROVALS/REGISTRATIONS**

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration  (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and rules made thereunder)	Regional Provident Fund Commissioner, Employees Provident Fund Organisation Maharashtra and Goa	Establishment Code: MH/21137	September 23, 2008
2	Registration for Employees State Insurance  (under Employees State Insurance Act, 1948 and rules made thereunder)	Employees' State Insurance Corporation	Establishment Code: Registered Office – 35000418600001099 Branch Office: 33350336320011099	Registered Office: November 23, 2017 Branch Office: December 28, 2017

**APPROVALS OF M/S. INNOVATIVE SOLUTIONS**

<b>Sr. No.</b>	<b>Authorisation granted</b>	<b>Issuing Authority</b>	<b>Registration No./Reference No./License No.</b>	<b>Date of Issue</b>	<b>Validity</b>
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and rules made thereunder)	Employees Provident Fund Organisation	MH/ 212226	February 22, 2012	Until Cancelled
2.	Registration for Employees State Insurance for Mumbai Office (under Employees State Insurance Act, 1948 and rules made thereunder)	Employees' State Insurance Corporation	Establishment Code: Mumbai - 35000336320001099 Branch Office: 33350336320011099	Mumbai: March 26, 2013 Pune: September 16, 2013	Until Cancelled
3.	Registration Certificate of Establishment (under Maharashtra Shops and Establishments Act, 1948 and rules made thereunder)	Inspector under Maharashtra Shops and Establishment Act	760102004/ Commercial II	July 02, 2009 Renewed: December 27, 2014	December 16, 2017
4.	Registration Certificate for Goods and Service Tax (GST)	Government of India	27AMDPS9712Q1Z7	September 22, 2017 Date of Liability and Valid from: July 01, 2017	NA
5.	Registration Certificate for Service Tax (under Chapter V of the Finance Act 1994)	Central Board of Excise and Customs	AMDPS9712QST001	September 02, 2003	NA

**APPROVALS OF M/S. CONCEPTS N DESIGNS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Certificate of Provisional Registration for Goods and Service Tax (GST)	Government of Maharashtra and Government of India	27AMDPS9708G1ZO	June 28, 2017	NA





**ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

Not Applicable

**OTHER BUSINESS-RELATED APPROVALS**

NIL

**INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS****TRADEMARKS**

Sr. No.	Trademark	Trade mark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
1.		Device	9	Innovative Ideals and Services (India) Private Limited	1486918	September 13, 2006	September 13, 2016	Registered
2.		Device	9	Innovative Ideals and Services (India) Limited	3669343	November 03, 2017	November 03, 2027	Registered
3.		Device	9	Innovative Ideals and Services (India) Private Limited	2769832	July 8, 2014	NA	Objected
4.	INNOVOX	Device	9	Innovative Ideals and Services (India) Private Limited	2769831	July 8, 2014	NA	Objected
5.		Device	9	Innovative Ideals and Services	2769829	July 8, 2014	NA	Objected

				(India) Private Limited				
6.		Device	9	Innovative Ideals and Services (India) Private Limited	2769833	July 8, 2014	NA	Abandoned
7.	INNOVATIVE HOMES	Device	9	Innovative Ideals and Services (India) Private Limited	2769830	July 8, 2014	NA	Opposed
8.	I BELL	Device	42	Innovative Ideals and Services (India) Private Limited	2825166	October 12, 2014	NA	Objected
9.		Device	42	Innovative Ideals and Services (India) Private Limited	2825167	October 12, 2014	NA	Abandoned
10.	ARMHER	Word	9	Innovative Ideals and Services (India) Private Limited	2888838	January 23, 2015	NA	Accepted & advertised
11.		Device	9	Innovative Ideals and Services (India) Private Limited	2888839	January 23, 2015	NA	Objected
12.	FIGHT MOLESTATION WORD	Device	9	Innovative Ideals and Services (India) Private Limited	2888840	January 23, 2015	NA	Objected

13.		Device	9	Innovative Ideals and Services (India) Limited	3684456	November 22, 2017	November 22, 2027	Registered
14.	SAVIOR SOS CALL TRACK	Word	9	Innovative Ideals and Services (India) Limited	3713880	December 28, 2017	NA	Objected
15.	APUNKAS HOP	Word	35	Innovative Ideals and Services (India) Limited	3711820	December 26, 2017	NA	Objected

#### **PATENT**

<b>Sr. No.</b>	<b>Patent</b>	<b>Applicant</b>	<b>Application No.</b>	<b>Date of Application</b>	<b>Validity/ Renewal</b>	<b>Registration Status</b>
1.	System for Pharma, healthcare, patient data management and methods thereof	Shaikh, Maqsood  [Promoter of our Company]	2175/MUM/2014	July 4, 2014	NA	Abandoned under Section 9 (1) of the Patent Act, 1970.

**Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.**

#### **PENDING APPROVALS**

1. Company has made following applications which are currently pending:
  - i) Cancellation of ESIC for “Innovative Solutions” dated May 09, 2018 located at Pune and Mumbai; and
  - ii) Cancellation of Provisional Registration for Goods and Service Tax (GST) dated January 09, 2018 of Concepts N Designs.
2. An application dated April 23, 2018 is made for registration of infrastructure provider category – I (IP – I) to the Department of Telecommunication, Ministry of Telecommunications.
3. An intimation to the facilitator was acknowledged by number 102764201803 dated June 05, 2018 for registration of establishment for **Warehouse 1** (under Rule 6 Maharashtra Shops and Establishments Act, 1948).
4. In accordance with Section 7 (2) of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017; Innovative Solutions vide letter dated May

09, 2018 has applied to ESIC Director for Branch office and closure of organisation Innovative Solutions w.e.f. September 01, 2017. The matter is currently pending.

**MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

1. Company has not applied for change of names of above approvals in the name of “Innovative Ideals and Services (India) Limited” from “Innovative Ideals and Services (India) Private Limited except the Goods and Service Tax Registration Certificate, Udyog Aadhaar Certificate, Employee State Insurance Registration Certificate and Trademark registration number 3669343.”
2. The patent application number 2175/MUM/2014 is abandoned and company has not applied for registration of it.
3. An Intimation to the Facilitator under Section 7 of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for its Branch Office is pending.

**APPROVALS NOT TRACEABLE BY THE COMPANY**

The following Certificates/ approvals are currently not traceable:

1. Professional Tax Enrollment Certificate (PTEC) issued under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
2. Professional Tax Registration Certificate (PTRC) issued under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE:

The Issue has been authorized by the Board of Directors of our company vide a resolution passed at its meeting held on September 22, 2017 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1) (c) of the Companies Act, 2013 passed at the Annual General Meeting of our Company held on September 25, 2017 at the Registered Office of our Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of, our Directors, our Promoters, relatives of Promoters, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

### ELIGIBILITY FOR THIS ISSUE:

Our Company is eligible for the Issue in accordance with regulation 106 M (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 lakhs but does not exceed Rs. 2500 Lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

### We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM will underwrite at least 15 per cent of the total Issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 76 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red herring Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 76 of this Draft Red Herring Prospectus.
5. The Post-issue paid up capital of the Company shall not be more than Rs. 25 Crores. The post issue capital of our Company is Rs. [●].
6. The Company has positive cash accruals (Earnings before depreciation and tax) from operations



for at least 2 (two) financial years preceding the date of filing of this Draft Red Herring Prospectus.

7. The Company has a track record of three years as on date of filing of this Draft Red Herring Prospectus.
8. The networth of the Company is positive as per the latest audited financial statements.
9. The Networth and Cash accruals (Earnings before depreciation and tax) from operation of the Company as per the Standalone Restated Financial statements for the financial year ended March 31, 2018, 2017 and 2016 is as set forth below:

*(Rs. In Lakhs)*

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2016	2017	2018
Net Worth	581.54	678.29	1,336.79
Cash Accruals	0.45	135.76	432.60

*\*"Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.*

*\*\*"Cash accruals" has been defined as the Earnings before depreciation and tax from operations*

10. The track record of the Company as per the Standalone Restated financial statements for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 is as set forth below:

*(Rs. In Lakhs)*

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2016	2017	2018
Profit/Loss	1.36	96.76	308.79

11. The Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories.
12. The Company has not been referred to Board for Industrial and Financial Reconstruction.
13. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
14. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company
15. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.
16. The Company has a website: [www.innovative.in](http://www.innovative.in)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY**

**EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE.**

**“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENT – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO 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 DRAFT RED HERRING PROSPECTUS. – NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE 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. – NOTED FOR COMPLIANCE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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. – COMPLIED TO THE EXTENT APPLICABLE.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) **“WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) **WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLIANCE**
- (4) **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.**
- (5) **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS.**
- (6) **WE CONFIRM THAT UNDERWRITING ARRANGEMENT 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 Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book running lead manager any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Mumbai in terms of Section 26 and 32 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.innovative.in](http://www.innovative.in) would be doing so at his or her own risk.

**Caution**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the BRLM and our Company dated June 18, the Underwriting Agreement dated June 18, 2018 entered into among the Underwriter and our

Company and the Market Making Agreement dated June 18, 2018 entered into among the Market Maker (s), BRLM and our Company.

Our Company and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.*

The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to act as Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "*Annexure A*" to this Draft Red Herring Prospectus and the website of Book Running Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com)

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this

Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

BSE Limited (“BSE”) has given vide its letter dated [●], 2018 permission to this Company to use its name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform of BSE Limited. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Ltd does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.

#### **FILING**

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Companies 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India

#### **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of BSE Limited. However, application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. SME Platform of BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not

repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

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 the BSE Limited mentioned above are taken within 6 Working Days from the Issue Closing Date.

## **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

## **EXPERT TO THE ISSUE**

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Financial Statements for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014

## **EXPENSES OF THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 106 of this Draft Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Manager**

The total fees payable to the BRLM will be as per the Mandate Letter issued by our Company to the BRLM, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated June 18, 2018, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, Stamp Duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, Banker to issue *etc.* will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**



The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the BRLM. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since Incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 87 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

None of the equity shares of our Group Companies are listed on any recognised stock exchange. None of the above companies have raised any capital during the past 3 years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders. Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on September 29, 2018. For further details, please refer to the chapter titled “*Our Management*” beginning on page 162, of this Draft Red Herring Prospectus.

Our Company has appointed Bhagyashree Goyal as Company Secretary and Compliance Officer and she may be contacted at the following address:

**Bhagyashree Goyal**

**Innovative Ideals and Services (India) Limited**

E- 202, 2nd floor, Skypark, Near Oshiwara Garden,

Off Ajit Glass Road, Oshiwara, Goregoan (W),

Mumbai-400104, Maharashtra, India

**Tel.:** +91 7720018914

**Email id:** [cs@innovative.in](mailto:cs@innovative.in)

**Website:** [www.innovative.in](http://www.innovative.in)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

## **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

Except as stated below, there have been no changes in Auditors of our Company during the last three years preceding the date of this Draft Red Herring Prospectus:

M/s. K. S. Sanghvi & Co., Chartered Accountants has conducted audit for the financial year ended on March 31, 2016, 2015, 2014 and 2013 and resigned as the statutory auditors of our Company. Subsequently, M/s ASB & Associates, Chartered Accountants were appointed as the Statutory Auditors of our Company who conducted audit for the financial year ended on March 31, 2018 and 2017.

## **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 87 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

## **REVALUATION OF ASSETS**

There has been no revaluation of our assets since incorporation.

## **PURCHASE OF PROPERTY**

Except as disclosed in this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

## **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, 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 Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 343 of this Draft Red Herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 184 of this Draft Red Herring Prospectus.

### FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in Mumbai edition of the English national newspaper [●], Mumbai edition of the Hindi national newspaper [●] and the Regional newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price

Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

#### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. 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, 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 preferential claim being satisfied;
- Right of free transferability 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 limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 343 of this Draft Red Herring Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated October 12, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated September 28, 2017 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in

Mumbai, Maharashtra, 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 or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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.**

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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/transfer/alienation 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 our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. 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 within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one

Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

#### **BID/ ISSUE OPENING DATE**

Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press**

**release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

**MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (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.

**MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of BSE from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

*Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME platform of BSE has to fulfil following conditions:*

*a. The increase in post issue face value capital beyond Rs 25 crore should arise only because of merger/acquisition or for expansion purposes.*

*b. The company should have a minimum turnover of Rs. 100 crore as per last audited financials and market capitalisation of 100 crore.*

*c. The company should have a minimum profit before tax of Rs 10 crore for two years out of three preceding years.*

*d. There should not be any action against the company by any regulatory agency at the time of application for migration.*

#### **MARKET MAKING**

The shares offered through this Offer are proposed to be listed on the SME Platform of BSE Limited (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 76 of this Draft Red Herring Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of [●] 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 SME Platform of BSE Limited.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

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, FIIs 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.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.



## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 87 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 343 of this Draft Red Herring 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring 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.*

## **BID/ ISSUE OPENING DATE**

Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital is more than ten crore rupees and upto twenty five crore. The Company shall issue specified securities 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 Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 282 and 292 of this Draft Red Herring Prospectus.

### Following is the issue structure:

Initial Public Issue of upto 30,66,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of [●] Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute [●] % and [●] % of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Net issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] % of Issue Size	[●] % of Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 292 of the Draft Red Herring Prospectus	Firm allotment
<b>Mode of Bid cum Application</b>	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only
<b>Minimum Bid Size</b>	<b><i>For QIB and NII</i></b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000 <b><i>For Retail Individuals</i></b> [●] Equity shares	[●] Equity Shares of Face Value of Rs. 10.00 each
<b>Maximum Bid Size</b>	<b><i>For Other than Retail Individual Investors:</i></b> For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. <b><i>For Retail Individuals:</i></b> [●] Equity Shares	[●] Equity Shares of Face Value of Rs 10 each
<b>Mode of Allotment</b>	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode

Particulars	Net issue to Public*	Market Maker Reservation Portion
Trading Lot	<input type="checkbox"/> Equity Shares	<input checked="" type="checkbox"/> Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form	

\*allocation in the net issue to public category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), *if the retail individual investor category is entitled to more than fifty per centon proportionate basis, the retail individual investors shall be allocated that higher percentage.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### **BID/ ISSUE OPENING DATE**

Bid / Issue Opening Date	<input type="checkbox"/>
Bid / Issue Closing Date	<input type="checkbox"/>
Finalization of Basis of Allotment with the Designated Stock Exchange	<input type="checkbox"/>
Initiation of Refunds	<input type="checkbox"/>
Credit of Equity Shares to demat accounts of Allottees	<input type="checkbox"/>
Commencement of trading of the Equity Shares on the Stock Exchange	<input type="checkbox"/>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Limited to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned BSE Limited website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.*

## BOOK BUILDING 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 book building process wherein at least 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. Further if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on

a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

### **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE Limited ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

### **WHO CAN BID?**

In addition to the category of Bidders set forth under “**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:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### *a) For Retail Individual Bidders:*

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

### *b) For Other Bidders (Non-Institutional Bidders and QIBs):*

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

## INFORMATION FOR THE BIDDERS

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] to Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.
- e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.**

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

#### **AVAILABILITY OF DRAFT RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **APPLICATIONS BY ELIGIBLE NRI'S/RFPI'S ON REPATRIATION BASIS**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATIONS BY ELIGIBLE NRIS**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

#### **BIDS BY FPI INCLUDING FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.



In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme

managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in 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 Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.**

## **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

## **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the ASBA Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking

Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders 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 Bidder

### **TERMS OF PAYMENT**

#### **Terms of Payment**

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders 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, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum 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 finalisation 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 bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated June 18, 2018.
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 and Section 26 of the Companies Act.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring 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 shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

##### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to 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);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price.

However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## **COMMUNICATIONS**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders 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 allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## **IMPERSONATION**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who—*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*shall be liable for action under Section 447.”*

## **UNDERTAKINGS BY THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
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 refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before



allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated October 12, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated September 28, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no. INE492Y01011.

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

##### 2.2 FURTHER PUBLIC OFFER (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## 2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- The Post-issue paid up capital of the Company shall not be more than Rs. 25 Crores. The post issue capital of our Company is Rs. [●].
- The Company has a track record of three years as on date of filing of this Draft Red Herring Prospectus.
- The Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
- The networth of the Company is positive as per the latest audited financial statements.
- The Networth and Cash accruals (Earnings before depreciation and tax) from operation of the Company as per the Standalone Restated Financial statements for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 is as set forth below:

*(Rs. In Lakhs)*

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2016	2017	2018
Net Worth	581.54	678.29	1,336.79

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2016	2017	2018
Cash Accruals	0.45	135.76	432.60

*\*"Networth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.*

- (j) The track record of the Company as per the Standalone Restated financial statements for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 is as set forth below:

*(Rs. In Lakhs)*

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2016	2017	2018
Profit/Loss	1.36	96.76	308.79

- (k) The Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories.
- (l) The Company has not been referred to Board for Industrial and Financial Reconstruction.
- (m) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (n) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company
- (o) There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.
- (p) The Company has a website: [www.innovative.in](http://www.innovative.in)
- (q) Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than ten crore rupees and up to twenty five crore rupees. Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

## 2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built issues**") or undertake a Fixed Price Issue ("**Fixed Price Issues**"). An issuer may mention Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the Draft Red Herring Prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

## **2.6 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

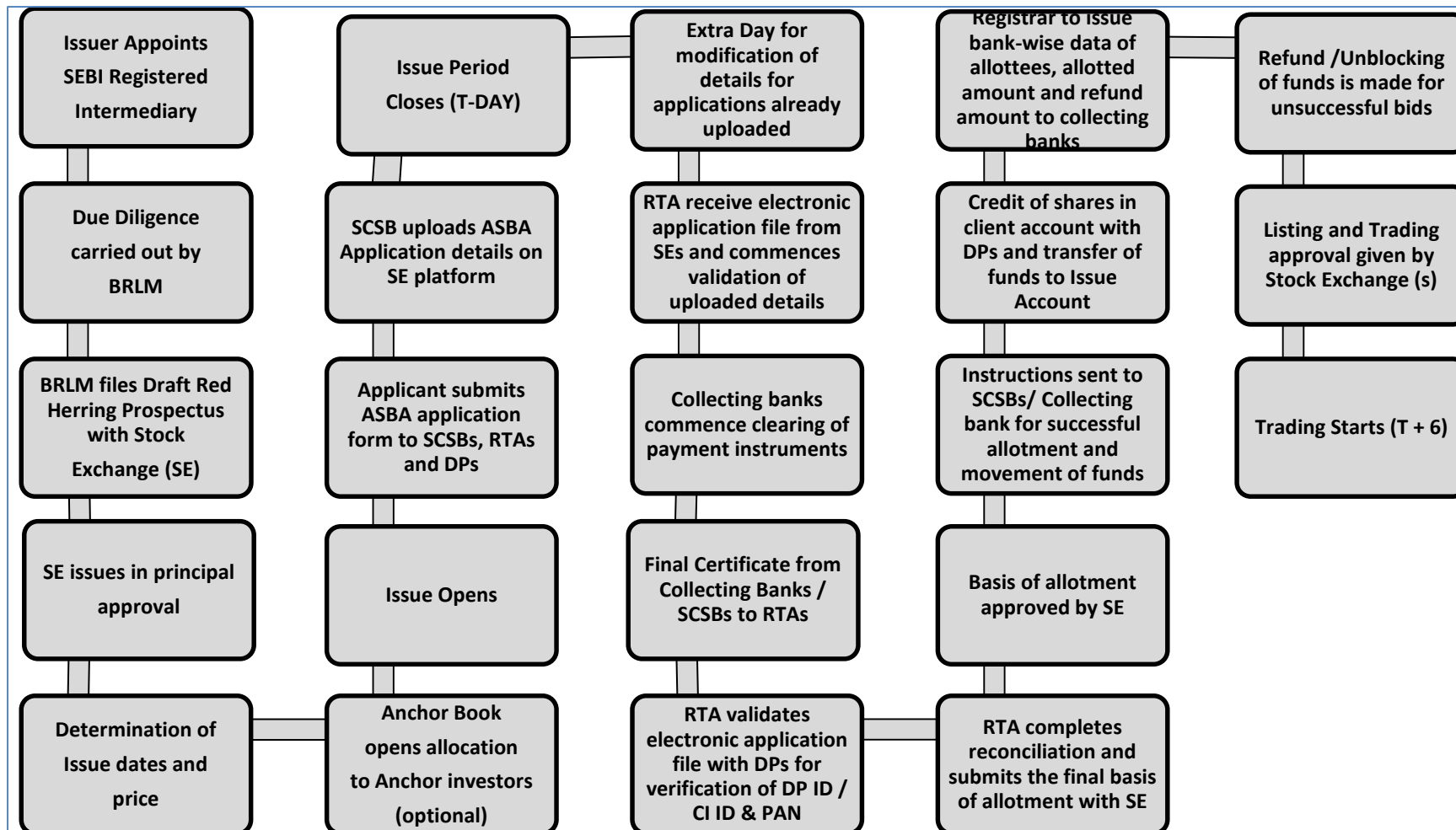
- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

*Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME platform of BSE has to fulfil following conditions:*

- a. The increase in post issue face value capital beyond Rs 25 crore should arise only because of merger/acquisition or for expansion purposes.*
- b. The company should have a minimum turnover of Rs. 100 crore as per last audited financials and market capitalisation of 100 crore.*
- c. The company should have a minimum profit before tax of Rs 10 crore for two years out of three preceding years.*
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.*

## **2.7 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



### **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

*Each Bidder should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the book running lead manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUMAPPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this BID, the DRHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.



The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:



# R Bid cum Application Form

<b>COMMON BID CUM APPLICATION FORM</b>	<b>INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: E-202, 2nd floor, SkyPark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregaon (W), Mumbai-400044, Maharashtra, India; Tel. No.: +91 022-6739 2121/2678 1173; Fax No. NA Email: investors@innovative.in; Website: www.innovative.in; CIN NO: U64201MH2000PLC129901	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
	To, The Board of Directors INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED	<b>BOOK BUILT ISSUE</b> ISIN - INE492Y01011	
		Bid Cum Application Form No.	
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCB / CDP / RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b>	
		Mr./Ms./M/s. _____ Age _____	
		Address _____	
		Email _____	
		Tel. No (with STD code) / Mobile _____	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCB BRANCH STAMP & CODE	<b>2. PAN OF SOLE/FIRST BIDDER</b>	
		_____	
BANK BRANCH SERIAL NO.	SCB SERIAL NO.		
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>		<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.			
<b>4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off". Price band Rs. [*/- to Rs. [*/-]</b>			
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [*/ equity shares)	Price per Equity Share (₹) / "Cut-off"	
		Bid Price	Retail Discount
		Net Price	"Cut-Off" (Please ✓/tick)
Option 1			<input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/>
(OR) Option 3			<input type="checkbox"/>
		<b>5. CATEGORY</b>	
		<input type="checkbox"/> Retail Individual Bidder	
		<input type="checkbox"/> Non Institutional Bidder	
		<input type="checkbox"/> QIB	
<b>6. INVESTOR STATUS</b>			
<input type="checkbox"/> Individual(s) - IND			
<input type="checkbox"/> Hindu Undivided Family* - HUF			
<input type="checkbox"/> Non-Resident Indians - NRI			
(Non-Repatriation basis)			
<input type="checkbox"/> Bodies Corporate - CO			
<input type="checkbox"/> Banks & Financial Institutions - FI			
<input type="checkbox"/> Mutual Funds - MF			
<input type="checkbox"/> National Investment Funds - NIF			
<input type="checkbox"/> Insurance Funds - IF			
<input type="checkbox"/> Insurance Companies - IC			
<input type="checkbox"/> Venture Capital Funds - VCF			
<input type="checkbox"/> Alternate Investment Funds - AIF			
<input type="checkbox"/> Others (Please Specify) - OTH			
*HUF: Should apply only through Karta (Application by HUF would be treated on par with individual)			
<b>7. PAYMENT DETAILS</b>			
Amount Blocked ₹ in Figures)		PAYMENT OPTION : Full Payment <input type="checkbox"/>	
ASBA Bank A/c No.			
Bank Name & Branch			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.			
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	
_____  Date: _____, 2018		I/We authorize the SCB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____	
		SYNDICATE MEMBER/BROKER / SCB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
TEAR HERE			
		INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R	
Acknowledgement Slip for Syndicate Member Broker/SCB/CDP/RTA		Bid Cum Application Form No.	
DPID / CLID		PAN of Sole / First Bidder	
Amount Blocked (₹ in figures)		ASBA A/c No.	
Bank & Branch		Stamp & Signature of SCB Branch	
Received from Mr./Ms./M/s			
Telephone / Mobile		Email	
TEAR HERE			
INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Syndicate Member Registered Broker / SCB / CDP / RTA	
No. of Equity Shares		Name of Sole / First Bidder	
Bid Price			
Amount Blocked (₹)		Acknowledgment Slip for Bidder	
ASBA Bank A/c No.:		Bid Cum Application Form No.	
Bank & Branch:			

# NR Bid cum Application ASBA Form

<b>COMMON BID CUM APPLICATION FORM</b>	<b>INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: E- 202, 2nd floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai-400104, Maharashtra, India; Tel. No.: +91 022-6739 2121/2678 1173; Fax No. NA Email: investors@innovative.in; Website: www.wwwww.innovative.in; CIN NO: U64201MH2000PLC129901	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FTIs OR FVCIIs, ETC APPLYING ON A REPATRIATION BASIS
 To, The Board of Directors INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED	<b>BOOK BUILT ISSUE</b> ISIN - INE492Y01011	Bid Cum Application Form No.
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / CDP / RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms./M/s. _____ _____ _____ Age _____ Address _____ _____ Email _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSB BRANCH STAMP & CODE	<b>2. PAN OF SOLE/FIRST BIDDER</b> _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<b>6. INVESTOR STATUS</b> <input type="checkbox"/> <b>NR</b> Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> <b>FI</b> FI or Sub Account not a Corporate/ Foreign Individual <input type="checkbox"/> <b>FISA</b> FI Sub Account Corporate/Individual <input type="checkbox"/> <b>FVCI</b> Foreign Venture Capital Investor <input type="checkbox"/> <b>FPI</b> Foreign Portfolio Investor <input type="checkbox"/> <b>OTI</b> Others (Please Specify)
<b>4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off"). Price band Rs.  * /- to Rs.  * /-</b>		
<b>Bid Options</b> No. of Equity Shares Bid (In Figures) (Bids must be in multiples of  *  equity shares)	<b>Price per Equity Share (₹) / "Cut-off"</b> Bid Price    Retail Discount    Net Price    "Cut-Off" (Please specify)	
Option 1 (OR) Option 2 (OR) Option 3	<input type="checkbox"/> <b>Retail Individual Bidder</b> <input type="checkbox"/> <b>Non Institutional Bidder</b> <input type="checkbox"/> <b>QIB</b>	
<b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : Full Payment</b> <input type="checkbox"/>		
Amount Blocked (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.		
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b> _____ Date: _____, 2018	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue: 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> _____
TEAR HERE		
 INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA	Bid Cum Application Form No.
DPID / CLID	PAN of Sole / First Bidder	
Amount Blocked (₹ in figures) _____ ASBA A/c No. _____ Bank & Branch _____ Received from Mr./Ms./M/s. _____ Telephone / Mobile _____ Email _____	<b>Stamp &amp; Signature of SCSB Branch</b> _____	
TEAR HERE		
No. of Equity Shares Bid Price Amount Blocked (₹) ASBA Bank A/c No. _____ Bank & Branch _____	Option 1    Option 2    Option 3 Stamp & Signature of Syndicate Member/ Registered Broker / SCSB / CDP / RTA	Name of Sole / First Bidder _____ _____ _____ Acknowledgement Slip for Bidder Bid Cum Application Form No.

#### 4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- *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 for action under section 447 of the said Act.*

- (d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### 4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details

received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### **4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS**

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the **Bid cum Application Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.
- d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk.

#### **4.1.4 : BID OPTIONS**

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot,

Bidders may refer to the DRHP or the advertisement regarding the Price Band published by the Issuer.

#### **4.1.4.1 Maximum and Minimum Bid Size**

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

#### **4.1.4.2 Multiple Bids**

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and

such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5 CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.

(c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

#### **4.1.6 INVESTOR STATUS**

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

(c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders should ensure that their investor status is updated in the Depository records.

#### **4.1.7 PAYMENT DETAILS**

i. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA

Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

- ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- iv. All Bidders can participate in the issue only through the ASBA mechanism.
- v. Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

#### **4.1.7.1. Payment instructions for Bidders**

- a) Bidders may submit the Bid cum Application Form either
  - in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at 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
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application

directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.8. Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

##### **4.1.8.1. Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

##### **4.1.8.2. Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO)



accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.9. SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the issue.
  - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
  - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries -
  - i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - ii. name and address of the Designated Intermediary, where the Bid was submitted; orFor further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.



#### **4.2. INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

- (b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Revision Form – R

<b>COMMON BID REVISION FORM</b>	<b>INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: E-202, 2nd floor, Skypark, Near Oshiwara Garden, Off Aji Glass Road, Oshiwara, Goregaon (W), Mumbai-400104, Maharashtra, India; Tel. No.: +91 022-6739 2121/2678 1175; Fax No. NA Email: investors@innovative.in; Website: www.innovative.in; CIN NO: U64201MH2000PLC129901	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
	To The Board of Directors INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED	<b>BOOK BUILT ISSUE</b> <b>ISIN - INE492Y01011</b>	
		Bid Cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCSEB / CDP / RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms./M/s. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Address <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	
SUB-BROKER/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSEB BRANCH STAMP & CODE	<b>2. PAN OF SOLE / FIRST BIDDER</b> <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	
BANK BRANCH SERIAL NO.	SCSEB SERIAL NO.	<b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	
PLEASE CHANGE MY BID			
<b>4. FROM (AS PER LAST BID OR REVISION)</b>			
<b>Bid Options</b>	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [ * ] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)	
		Bid Price	Retail Discount, if any
		Net Price	"Cut-off" (Please ✓ tick)
Option 1			<input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/>
(OR) Option 3			<input type="checkbox"/>
<b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")</b>			
<b>Bid Options</b>	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [ * ] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)	
		Bid Price	Retail Discount, if any
		Net Price	"Cut-off" (Please ✓ tick)
Option 1			<input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/>
(OR) Option 3			<input type="checkbox"/>
<b>6. PAYMENT DETAILS</b>			
Additional Amount Paid (₹ in Figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) _____		PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT: <input checked="" type="checkbox"/>	
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>		Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.			
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date: _____, 2018	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSEB to do all acts as are necessary to make the Application in the Issue	SYNDICATE MEMBER/BROKER / SCSEB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
TEAR HERE			
		Acknowledgement Slip for Syndicate Member Broker/SCSEB/CDP/RTA	Bid Cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
DPID/CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
Additional Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		ASBA A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Stamp & Signature of SCSEB Branch
Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 100px;"></span>	
Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>			
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		
TEAR HERE			
INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1    Option 2    Option 3	Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP / RTA	Name of Sole / First Bidder
No. of Equity Shares			
Bid Price			
Additional Amount Blocked (₹)			
ASBA Bank A/c No.:	Acknowledgment Slip for Bidder		
Bank & Branch:	Bid Cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		

Revision Form – NR

<b>COMMON BID REVISION FORM</b>	<b>INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: F-202, 2nd floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregaon (W), Mumbai-400104, Maharashtra, India; Tel. No.: +91 022-6739 2121/2678 1173; Fax No. NA E-mail: investors@innovative.in; Website: www.wwwww.innovative.in; CIN No: U64201MH2000PLC129901	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FII's FPIs OR FVCI's, ETC APPLYING ON A REPATRIATION BASIS	
	To, The Board of Directors INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED	<b>BOOK BUILT ISSUE</b> <b>ISIN - INE492Y01011</b>	
		<b>Bid Cum Application Form No.</b>	
SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms/M/s _____ Address _____ _____ Email _____ Tel. No (with STD code) / Mobile _____	
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	<b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> ■ NSDL ■ CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID	
PLEASE CHANGE MY BID			
<b>4. FROM (AS PER LAST BID OR REVISION)</b>			
<b>Bid Options</b>	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of 1 equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)	
		Bid Price	Retail Discount, if any Net Price "Cut-off" (Please ✓ tick)
Option 1			<input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/>
(OR) Option 3			<input type="checkbox"/>
<b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")</b>			
<b>Bid Options</b>	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of 1 equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)	
		Bid Price	Retail Discount, if any Net Price "Cut-off" (Please ✓ tick)
Option 1			<input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/>
(OR) Option 3			<input type="checkbox"/>
<b>6. PAYMENT DETAILS</b>			
		PAYMENT OPTION : Full Payment <input type="checkbox"/>	
Additional Amount Blocked (₹ in Figures) _____ (₹ in words)			
ASBA Bank A/c No. _____			
Bank Name & Branch _____			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.			
<b>7 A. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date: _____, 2018	<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue: 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
TEAR HERE			
		INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Syndicate Member Registered Broker/SCSB/CDP/RTA
		Bid Cum Application Form No.	
DPID/CLID: _____		PAN of Sole / First Bidder: _____	
Additional Amount Blocked (₹ in figures) _____		ASBA A/c No. _____	
Bank & Branch _____		Stamp & Signature of SCSB Branch	
Received from Mr./Ms _____			
Telephone / Mobile _____ Email _____			
TEAR HERE			
www.scpzprints.com	INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Option 1 No. of Equity Shares Bid Price Additional Amount Blocked (₹) ASBA Bank A/c No., Bank & Branch:	Option 2 Option 3 Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA
		Name of Sole / First Bidder	Acknowledgment Slip for Bidder
		Bid Cum Application Form No.	

#### **4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2. BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3. PAYMENT DETAILS**

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM**

#### **4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-**

<b>Mode of Bid</b>	<b>Submission of Bid cum Application Form</b>
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Draft Red Herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

### **SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

This being book built issue procedure for fixed price issue is not applicable.

### **SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### **6.1 SUBMISSION OF BIDS**

- During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

#### **6.2 ELECTRONIC REGISTRATION OF BIDS**

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **6.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

### **6.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) **The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:**
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **GROUND OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;



- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application Form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (Rs.)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may

refer to DRHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

## 7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
  - i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net Issue of shares to the public shall be made available for allotment to
    - individual bidders other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF REFUND**

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

### **8.3.1 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled " <i>Issue Procedure</i> " beginning on page 292 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.

Term	Description
Bid Cum Application Collecting Intermediaries	<p>6. a SCSB with whom the bank account to be blocked, is maintained;</p> <p>7. a syndicate member (or sub-syndicate member), If any;</p> <p>8. 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’), if any;</p> <p>9. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)</p> <p>10.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)</p>
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made.

<b>Term</b>	<b>Description</b>
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the website of BSE Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.
ClientID	ClientIdentificationNumbermaintainedwithoneofthe Depositories inrelation to demat account.
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 Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus following which the Board of Directors may Allot Equity

<b>Term</b>	<b>Description</b>
	Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time.
Designated Stock Exchange	SME Platform of BSE Limited.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 04, 2018 issued in accordance with section 32 of the Companies Act, 2013 and filed with the SME Platform of BSE Limited under SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered 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 Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI suitably modified and included in "Issue Procedure" beginning on page 292 of Draft Red Herring Prospectus.
Issue Agreement	The agreement dated June 18, 2018 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Draft Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Draft Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. [●] lakhs, for further details please refer chapter title " <i>Objects of the Issue</i> " beginning on page 106 of this



Term	Description
	Draft Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of Upto 30,66,000 Equity Shares of face value Rs. 10 each fully paid of our Company for cash at a price of Rs. [●] per Equity Share (the “Issue Price”) (including a premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated June 18, 2018 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company.
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “Objects of the Issue” on page 106 of this Draft Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs.
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or

Term	Description
	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.
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Regional newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on [●], 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
Registrar Agreement	The agreement dated June 18, 2018, entered by our Company and the Registrar to the Issue in relation to the

<b>Term</b>	<b>Description</b>
	responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
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.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009.
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investors / RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs.2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s).
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a> .
SME Exchange	SME Platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Syndicate Agreement	Agreement dated June 18, 2018 entered into amongst the BRLMs, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate.
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated June 18, 2018 entered into between the Underwriter and our Company.
Working Days	(i) Till Application / Issue closing date: All days other than

Term	Description
	a Saturday, Sunday or a public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## **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 Foreign Exchange Management Act, 1999 (“**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 the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Direction on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Direction on Foreign Investment dated January 04, 2018 as updated on April 06, 2018 and from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment is permitted in the sector in which our Company operates out of which upto 49% is automatic route and beyond 49% is government route. The Company will have to obtain approval from Department of Industrial Policy and Promotion for investment beyond 49% and follow procedure as per FDI Policy 2017 and RBI Regulations.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any

‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully

diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.**

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

The above information is given for the benefit of the Applicants. Our Company and the Book Running 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 Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013  
(COMPANY LIMITED BY SHARES)  
ARTICLES OF ASSOCIATION**

**OF  
INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED**

<b>Sr. No</b>	<b>Particulars</b>	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) “These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) “Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *“The Company” shall mean “INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED”	
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the	<b>Executor or Administrator</b>



Sr. No	Particulars	
	Administrator General Act, 1963.	
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the	<b>Register of Members</b>

Sr. No	Particulars	
	Act.	
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation	<b>New Capital same as existing</b>

Sr. No	Particulars	
	of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non-Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions- shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

Sr. No	Particulars	
	<p>capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<b>Issue of Sweat Equity Shares</b>
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<b>ESOP</b>
14.	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other</p>	<b>Buy Back of shares</b>

Sr. No	Particulars	
	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.	
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>

Sr. No	Particulars	
	further shares ranking paripassu therewith.	
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as	<b>Directors may allot shares as full paid-up</b>

Sr. No	Particulars	
	aforesaid.	
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a	<b>Share Certificates.</b>

Sr. No	Particulars	
	<p>resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>



Sr. No	Particulars	
	<p>transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognize any interest in share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such	<b>Commission</b>

Sr. No	Particulars	
	commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35.	<p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same	<b>Calls to carry interest.</b>

Sr. No	Particulars	
	from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board	<b>Payments in Anticipation of calls may carry interest</b>

Sr. No	Particulars	
	<p>may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	
	<b>LIEN</b>	
45.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	<b>Company to have Lien on shares.</b>
46.	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a</p>	<b>As to enforcing lien by sale.</b>

Sr. No	Particulars	
	new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>
49.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of	<b>On default of payment, shares to be forfeited.</b>

Sr. No	Particulars	
	the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or	<b>Cancellation of share certificate in</b>

Sr. No	Particulars	
	certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.  (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.  The instrument of transfer shall be in a common form	<b>Transfer Form.</b>

Sr. No	Particulars	
	approved by the Exchange;	
63.	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	<b>Transfer not to be registered except on production of instrument of transfer.</b>
64.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>	<b>Directors may refuse to register transfer.</b>
65.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	<b>No fee on transfer.</b>
67.	<p>The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other</p>	<b>Closure of Register of Members or debenture holder or other security holders.</b>



Sr. No	Particulars	
	security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(a) 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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>

Sr. No	Particulars	
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>

Sr. No	Particulars	
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
80.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the</p>	<b>Nomination</b>

Sr. No	Particulars	
	<p>Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
<p><b>81.</b></p>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<p><b>Transmission of Securities by nominee</b></p>
	<p><b>DEMATERIALIZATION OF SHARES</b></p>	
<p><b>82.</b></p>	<p>Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.</p>	<p><b>Dematerialization of Securities</b></p>
	<p><b>JOINT HOLDER</b></p>	
<p><b>83.</b></p>	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the</p>	<p><b>Joint Holders</b></p>

Sr. No	Particulars	
	following and other provisions contained in these Articles.	
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (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 a share warrant.	<b>Power to issue share warrants</b>
86.	(a) The bearer of a share warrant may at any time deposit the warrant at 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 call in 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 clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.  (b) Not more than one person shall be recognized as depositor of the Share warrant.	<b>Deposit of share warrants</b>

Sr. No	Particulars	
	(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a 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 holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
89.	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) Re-convert any stock into fully paid-up shares of any denomination.</p>	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stockholders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and	<b>Regulations.</b>

Sr. No	Particulars	
	"stockholders" respectively.	
	<b>BORROWING POWERS</b>	
93.	<p>Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit</p> <p>or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting 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 specified purpose.</p>	<b>Power to borrow.</b>
94.	<p>Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.</p>	<b>Issue of discount etc. or with special privileges.</b>
95.	<p>The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.</p>	<b>Securing payment or repayment of Moneys borrowed.</b>

Sr. No	Particulars	
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business	<b>Meeting not to transact business not mentioned in notice.</b>



Sr. No	Particulars	
	which has not been mentioned in the notice or notices upon which it was convened.	
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	<p>a) 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.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) 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.</p> <p>d) 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.</p>	<b>Chairman with consent may adjourn meeting.</b>
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	

Sr. No	Particulars	
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum 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 or lien.	<b>Members in arrears not to vote.</b>
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	a) In the case of joint holders, the vote of the senior who	<b>Votes of joint members.</b>

Sr. No	Particulars	
	<p>tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	
115.	<p>Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles</p>	<p><b>Votes may be given by proxy or by representative</b></p>
116.	<p>A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.</p>	<p><b>Representation of a body corporate.</b></p>
117.	<p>(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.</p>	<p><b>Members paying money in advance.</b></p>
	<p>(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.</p>	<p><b>Members not prohibited if share not held for any specified period.</b></p>
118.	<p>Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 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 transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted</p>	<p><b>Votes in respect of shares of deceased or insolvent members.</b></p>

Sr. No	Particulars	
	his right to vote at such meeting in respect thereof.	
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.	<b>Appointment of a Proxy.</b>
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
123.	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.	<b>Time for objections to votes.</b>
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and	<b>Number of Directors</b>

Sr. No	Particulars	
	Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
127.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
129.	Subject to the provisions of the Act, the Board shall have	<b>Additional Director</b>

Sr. No	Particulars	
	power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.	
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Director's power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
133.	(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.	<b>Meetings of Directors.</b>
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.  b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>

Sr. No	Particulars	
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	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.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>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.</p>	<b>Chairperson of Committee Meetings</b>
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>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.</p>	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>

Sr. No	Particulars	
	the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such	<b>To take on Lease.</b>



Sr. No	Particulars	
	title as the Directors may believe, or may be advised to be reasonably satisfy.	
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share 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 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.	<b>To pay for property.</b>
	(5) 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 buildings, 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.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be	<b>To accept surrender of shares.</b>

Sr. No	Particulars	
	agreed upon.	
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power	<b>To determine signing powers.</b>

Sr. No	Particulars	
	of attorney or otherwise.	
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants,	<b>To appoint and remove officers</b>

Sr. No	Particulars	
	<p>supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labors, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>and other employees.</b></p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, 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 Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p><b>To appoint Attorneys.</b></p>
	<p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p>	<p><b>To enter into contracts.</b></p>
	<p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p>	<p><b>To make rules.</b></p>

Sr. No	Particulars	
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissioner's interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject	

Sr. No	Particulars	
	to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and</p>	

Sr. No	Particulars	
	<p>discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/ Whole time Directors.</b>
146.	<p>The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.</p>	<b>Remuneration of Managing or Whole time Director.</b>
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>

Sr. No	Particulars	
	<p>Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	<p><b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b></p>	
<p><b>148.</b></p>	<p>a) Subject to the provisions of the Act,—</p> <p>i. 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being</p>	<p><b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b></p>



Sr. No	Particulars	
	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.	
	<b>THE SEAL</b>	
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
150.	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 authorized 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.	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
151.	<p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p>	<b>Division of profits.</b>
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and	<b>The company in General Meeting may declare Dividends.</b>

Sr. No	Particulars	
	the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	
153.	<p>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 equalizing 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
154.	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.	<b>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	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 dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>

Sr. No	Particulars	
	persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	<p>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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
163.	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.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on</p>	<b>Capitalization.</b>

Sr. No	Particulars	
	<p>any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
166.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) Generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they</p>	<b>Fractional Certificates.</b>

Sr. No	Particulars	
	think fit.	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
168.	<p>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.</p> <p>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.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
172.	Subject to the provisions of Chapter XX of the Act and rules	

Sr. No	Particulars	
	<p>made thereunder—</p> <p>(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.</p> <p>(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.</p> <p>(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 other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
173.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity.</b>
174.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising</p>	<b>Not responsible for acts of others</b>

Sr. No	Particulars	
	<p>from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	
	<b>SECRECY</b>	
175.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors 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 contained.</p>	<b>Secrecy</b>
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<b>Access to property information etc.</b>

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at E-202, 2nd floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (West), Mumbai, 400104 Maharashtra, India. from date of filing this Draft Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts:

1. Issue Agreement dated June 18, 2018 between our Company and the Book Running Lead Manager.
2. Registrar to the issue agreement dated June 18, 2018 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated June 18, 2018 between our Company and Underwriter viz. Pantomath Capital Advisors Private Limited
4. Market Making Agreement dated June 18, 2018 between our Company, Market Maker and the Book Running Lead Manager.
5. Banker to the Issue Agreement dated June 18, 2018 amongst our Company, the Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 12, 2017
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated September 28, 2017
8. Syndicate agreement dated June 18, 2018 entered between our Company, Syndicate Member i.e. Pantomath Stock Brokers Private Limited and Book Running Lead Manager

#### Material Documents:

1. Certified true copies of the updated Memorandum of Association and Articles of Association of our Company including certificates of incorporation as amended from time to time.
2. Resolution of the Board of Directors dated September 22, 2017 in relation to the Issue and other related matters.
3. Special Resolution of the shareholders passed at the Annual General Meeting dated September 25, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated September 03, 2018 issued by Peer Review Auditor, M/s N. K. Aswani & Co., Chartered Accountants.
5. Report of the Peer Review Auditor, M/s N. K. Aswani & Co., Chartered Accountants dated May 24, 2018 on the Restated Financial Statements for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Banker to the Issue/ Public Issue Bank and Refund Bank, Banker to the Company, Market Maker, Syndicate Member to act in their respective capacities.
7. Due Diligence certificate dated September 04, 2018 from Book Running Lead Manager to BSE



Limited.

8. Copy of approval from BSE Limited *vide* letter dated [●], to use the name of SME Platform of BSE Limited in this offer document for listing of Equity Shares on SME Platform of BSE Limited.

None of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

Signed by all the Directors and Promoters of our Company

Name and designation	Signature
Maqsood Shaikh <i>Promoter, Managing Director</i>	Sd/-
Tazyeen Shaikh <i>Promoter and Whole Time Director</i>	Sd/-
Dabir Shaikh <i>Chairman and Whole Time Director</i>	Sd/-
Atul Vaidya <i>Independent Director</i>	Sd/-
Preethi Ramesh <i>Independent Director</i>	Sd/-
Anwar Baig <i>Independent Director</i>	Sd/-

Signed by

Sd/-

Bhagyashree Goyal

Company Secretary & Compliance Officer

Sd/-

Zafar Inamdar

Chief Financial Officer

Place: Mumbai

Date: September 04, 2018

\* Tazyeen Shaikh has been authorised by Atul Vaidya to sign on behalf of him through Power of Attorney dated April 20, 2018.

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 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.	Innovators Façade Systems Limited	40.76	72.00	May 24, 2018	72.00	-13.19% (2.96%)	-18.13% (10.45%)	Not Applicable
2.	Shree Vasu Logistics Limited	9.29	45.00	June 4, 2018	48.00	24.00% (0.67%)	41.78% (8.97%)	Not Applicable
3.	Affordable Robotic & Automation Limited	22.79	85.00	June 4, 2018	90.05	35.29% (1.05%)	25.88% (9.43%)	Not Applicable
4.	Latteys Industries Limited	8.07	66.00	June 5, 2018	68.00	0.68% (1.67%)	-6.82% (9.34%)	Not Applicable
5.	Nakoda Group of Industries Limited	6.43	35.00	June 6, 2018	36.00	5.43% (1.12%)	19.71% (8.91%)	Not Applicable
6.	ShreeOswal Seeds and Chemicals Limited	11.90	26.00	June 20, 2018	27.00	4.42% (1.72%)	Not Applicable	Not Applicable
7.	Priti International Limited	5.25	75.00	June 21, 2018	81.00	31.33% (2.51%)	Not Applicable	Not Applicable
8.	Accuracy Shipping Limited	35.76	84.00	June 22, 2018	88.00	9.52% (2.43%)	Not Applicable	Not Applicable
9.	Ganga Forging Limited	5.00	21.00	July 11, 2018	21.10	0.00% (4.77%)	Not Applicable	Not Applicable
10.	Ushanti Colour Chem Limited	11.56	60.00	August 02, 2018	64.20	17.58% (3.88%)	Not Applicable	Not Applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

## SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between n 25-50%	Less than 25%	Over 50%	Between n 25-50%	Less than 25%
15-16	*9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	**24\$	204.56	-	-	5	5	3	8	-	1	5	10	1	6
17-18	***30\$\$	610.90	-	-	4	10	7	9	-	2	5	12	2	8
18-19	****17\$\$\$#	272.30	-	-	3	1	2	10	-	-	-	-	-	-

\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcruz Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

\*\*\*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017,

August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

\*\*\*\*The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited and Ushanti Colour Chem Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018, June 22, 2018, July 11, 2018 and August 02, 2018 respectively.

\$. As on 30<sup>th</sup> trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infracore Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of Macpower CNC Machines Limited has not completed 180 Days from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovator Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited and Ushanti Colour Chem Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

# As on 30<sup>th</sup> trading day the closing price of the script Ganga Forging Limited was at par with the issue price. Hence it is not considered for counting the numbers of IPOs trading at discount and premium.

*Note: Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*