Draft Prospectus
Dated: December 30, 2015
Please read Section 32 of Companies Act, 2013
Fixed Price Issue

OCTAWARE TECHNOLOGIES LIMITED

Our Company was incorporated as Octaware Technologies Pvt. Ltd. on May 26, 2005 under the Companies Act, 1956, with the Registrar of Companies, Mumbai, Maharashtra, bearing Registration Number 153539 and CIN U72200MH2005PTC153539. The status of our Company was changed to public limited company and the name of our Company was changed to Octaware Technologies Ltd. by a special resolution passed on June 15, 2015. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 17, 2015, by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U72200MH2005PLC153539. For further details, please see the chapter titled "*History and certain Corporate Matters*" beginning on page 114 of this Draft Prospectus.

Registered Office: 204 Timmy Arcade, Makwana Road Marol. Andheri (East), Mumbai – 400 059, India

Tel.: +91 – 22 – 4023 1431; **Tele-Fax:** +91 – 22 – 2829 3959; **Email**: investor@octaware.com; **Website:** www.octaware.com

Company Secretary and Compliance Officer: Mr. Muzammil Memon; **Email:** investor@octaware.com

Our Promoters: Mr. Aslam Khan and Mr. Sajid Hameed

THE ISSUE

PUBLIC ISSUE OF 11,11,200 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF OCTAWARE TECHNOLOGIES LIMITED ("OTL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 100 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 1,111.20 LAKHS ("THE ISSUE"), OF WHICH, 57,600 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE CHAPTER "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 10,53,600 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.54% AND 25.17%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (as amended from time to time)
For further details, please see the section titled "*Issue Related Information*" beginning on page 210 of this Draft Prospectus.

All potential investors may participate in the Issue 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 "*Issue Procedure*" beginning on page 216 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 10 TIMES OF THE FACE VALUE.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10 per Equity Share and the issue price is 10 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Managers) as stated under the chapter titled "*Basis for Issue Price*" beginning on page 63 of this Draft Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the section titled "Risk Factors" beginning on page 9 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being issued in this Issue. However, our company has received an approval letter dated [●] from BSE for using its name in this Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGERS	REGISTRAR TO THE ISSUE
ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001, Maharashtra, India Tel. No.: +91 – 22 – 22618264; Fax No.: +91 – 22 – 22630434; Email: ipo@afsl.co.in; or info@afsl.co.in; Investor Grievance Email: feedback@afsl.co.in; Website: www.afsl.co.in; SEBI Registration No.: MB / INM000011344 Contact Person: Mr. Shreyas Shah / Mr. Pranav Nagar	**CAMEO CORPORATE SERVICES LIMITED** Subramanian Building, No. 1 Club House Road, Chennai – 600 002. Tel. No.: +91 – 44 – 2846 0390 / 0425 Fax No.: +91 – 44 – 2846 0129 E-mail: investor@cameoindia.com Website: www.cameoindia.com SEBI Regn. No.: INR 000003753 Contact Person: Mr. R. D. Ramasamy

ISSUE PROGRAMME

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Octaware Technologies Limited / OTL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Octaware Technologies Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Andheri- East, Mumbai.

Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Octaware Technologies Limited.
Auditor of the Company (Statutory Auditor)	M/s. Ashok K. Surana & Associates, Chartered Accountants, having their office at 303, 3rd Floor, Kalyan Bhavan, Telli Park Lane, Andheri East, Mumbai- 400 069.
Audit Committee	The Audit Committee constituted by our Board of Directors on December 07, 2015
Board of Directors / Board	The Board of Directors of Octaware Technologies Limited, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w. r. t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time.
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s)	Director(s) of Octaware Technologies Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Group Companies	All companies or ventures which would be termed as Group Companies as per the definition given in Schedule VIII of SEBI ICDR Regulations, 2009. For details of Group Companies of the Company, please see the chapter titled "*Our Group Companies*" beginning on page 135 of this Draft Prospectus.
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Peer Review Auditor (Peer Review Certified)	The peer review auditor of our company, being M/s. R.T. Jain & Co., Chartered Accountants, having their office at Lotus Bldg., 2nd Floor, 59, Mohamedali Road, Mumbai- 400 003.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Octaware Technologies Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or 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.
Promoter / Core Promoter(s)	Mr. Aslam Khan and Mr. Sajid Hameed.
Promoter Group	Promoter Group consist of Individuals, HUFs, Companies, Firms, etc. as mentioned in the chapter titled "*Our Promoter, Promoter Group*" beginning on page 131 of this Draft

Term	Description
	Prospectus.
Registered Office	The Registered Office of our company which is located at: 204 Timmy Arcade, Makwana Road Marol. Andheri (East) Mumbai – 400 059, India
RoC	Registrar of Companies, Mumbai, Maharashtra.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

Issue related Terms

Term	Description
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, Non- Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
Banker(s) to the Company	[•]
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being [•]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled "*Issue Procedure*" beginning on page 216 of this Draft Prospectus.
Business Day	Monday to Friday (except public holidays)
BSE	BSE Limited
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on

Term	Description
	http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue.
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited)
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Draft Prospectus constitutes an invitation to Application on the basis of the terms thereof.
Equity Shares	Equity shares of our Company of ₹ 10 each
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue / Issue Size / Public Issue	The Public Issue of 11,11,200 Equity Shares of ₹ 10 each at ₹ 100 (including share premium of ₹ 90) per Equity Share aggregating to ₹ 1,111.20 lakhs by Octaware Technologies Limited
Issue Closing date	The date on which the Issue closes for subscription being [•]
Issue Opening date	The date on which the Issue opens for subscription being [•]
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 100.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled "*Objects of the Issue*" beginning on page 56 of this Draft Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue of 10,53,600 Equity Shares of ₹ 10 each at ₹ 100 (including share premium of ₹ 90) per Equity Share aggregating to ₹ 1,053.60 lakhs by Octaware Technologies Limited.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies

Term	Description
	registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	The bank(s) which is/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable.
Registrar/ Registrar to the Issue	Registrar to the Issue being Cameo Corporate Services Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
SME Platform of BSE	The SME Platform of BSE for listing of equity shares issued under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated December 20, 2015.
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Technical / Industry Related Terms

Term	Description
ADM	Application Development and Maintenance
AICTE	All India Council for Technical Education
ATMS	Asset Tracking and Management System
BPM	Business Process Management
BPO	Business Process Outsourcing
CIGI	Centre for International Governance Innovation
CIO	Chief Information Officer
Cloud Computing	The practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or a personal computer.
CPI	Consumer Price Index
CRM	Customer Relationship Management
CSO	Central Statistics Office
CSR	Corporate Social Responsibility

Term	Description
ECDMS	Enterprise Content and Document Management System
EMR	Electronic Medical Record
ERM	Employee Relationship Management
ERP	Enterprise Resource Planning
ESB	End of Service Benefits
F. Y.	Financial Year
GDP	Gross Domestic Product
GFD	Gross Fiscal Deficit
GIS	Geographical Information System
GITR	Global Information Technology Report
GOSI	General Organization for Social Insurance
HIMS	Hospital Information Management System
ICT	Information & Communication Technology
IDC	Industrial Design Centre, IIT Mumbai
IMF	International Monetary Fund
ISVRL	Independent Software Vendor Royalty License
IT	Information Technology
ITES	Information Technology Enabled Services
MIDC	Maharashtra Industrial Development Corporation
MPR	Monetary Policy Report
NASSCOM	The National Association of Software and Services Companies
OECD	The Organisation for Economic Co-operation and Development
PACS	Picture Archival & Communications System
PDA	Personal Digital Assistant
PGDM	Post Graduate Diploma in Management
PRMS	Patient Relationship Management System
Q1 / Q2 / Q3 / Q4	Quarter 1 / Quarter 2 / Quarter 3 / Quarter 4
RFID	Radio Frequency Identification
R&D	Research and Development
SEEPZ	Santacruz Electronics Export Processing Zone
SEZ	Special Economic Zone
Sq. ft.	Square Foot
Sq. Mtrs.	Square Meters
STP	Software Technology Parks
TSA	The Strategy Academy, Kolkata
WTI	West Texas Intermediate

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AEs	Advanced Economies
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant

Term	Description
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
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
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
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
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. or M	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
Sec.	Section
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
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.
Working Days	All days other than a Sunday or a public/ Bank holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday and any public holiday), on which commercial bank in Mumbai are open for business.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in "lakhs" units. One lakhs represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2015, 2014, 2013, 2012 and 2011 and for three months period ended June 2015 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled "*Risk Factors*", chapters titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 9, 88 and 177 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

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

Definitions

For definitions, please see the Chapter titled "*Definitions and Abbreviations*" on page 1 of this Draft Prospectus. In the Section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 238 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as 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 that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Information Technology industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- ✓ Our ability to manage our growth effectively;
- ✓ Our ability to develop, maintain or enhance our brand recognition;
- ✓ Our ability to retain the services of our senior management, key managerial personnel and capable employees;
- ✓ Our ability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- ✓ Our ability to adequately protect / obtain trademarks;
- ✓ Changes in customer demand;
- ✓ Failure to successfully upgrade our products and service portfolio, from time to time; and
- ✓ Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “ *Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 9, 88, and 177 of this Draft Prospectus, respectively.

By their nature, certain 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. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 88 and 177 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. 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 risks mentioned herein.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.

Materiality

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

Internal Risk Factors

1. ***Non-compliance of the terms and conditions in the Approvals, Licenses and Registrations may affect our operations.***

   Certain licenses and registration obtained by our Company including but not limited to the Importer – Exporter Code("IEC") for the registered office of the Company situated at 204, Timmy Arcade Makwana Road, Marol, Andheri (E), Mumbai – 400059, contain certain terms and conditions, which are required to be complied with by our Company. Any default by our Company in complying with the same, may result in the cancellation of such licenses, consents, authorizations and/or registrations which may adversely affect our operations and financial strength.

   In specific, pursuant to the aforesaid Importer – Exporter Code, in case of any change in the name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to import or export against the IEC after the expiry of 90 (ninety) days from the date of such change unless in the meantime, the consequential changes are effected in the IEC by the concerned Licensing Authority.

   For further details please refer to section titled "*Government and Other Statutory Approvals*" on page 195 of this Draft Prospectus.

2. ***Our revenues are highly dependent on customers located in certain geographic locations. Economic downturns and other factors that affect the economic health of these locations may negatively affect our business, financial condition and results of operations.***

A significant proportion of our revenues are derived from customers located in certain geographic locations of the Middle East (UAE, Saudi Arabia, Qatar, etc.) For the Fiscals 2015, 2014 and 2013, 49.39%, 55.95% and 82.21% respectively, of our revenues from sale of software services and products were derived from customers located in the Middle East. This calculation of revenues by customer geography is based on the location of the specific customer who is our end-user entity, irrespective of the billing and the location of the services rendered. Consequently, in the event of any economic downturn in these locations or any reduction in the IT or product spending or outsourcing to India by firms based in these countries, our customers may reduce or postpone their IT or product spending significantly or cut or delay product releases or versions, which may in turn lower the demand for our services and adversely affect our business, financial condition and results of operations.

3. ***We have entered into agreements with various companies in different countries for association as business partners. Our ability to expand our business and procure new contracts or enter into beneficial business arrangements may be affected by these agreements.***

We have entered into agreements with various companies for association as business partners in countries spread across the globe. Though these agreements aid is in procuring business in the respective countries, in turn giving us local presence, there are certain clauses which may restrict our business abilities. Many of these agreements have certain non – compete clauses, which restrict us from procuring new clients directly, either completely or for a fixed period of time from the date of completion of the ongoing service / project. Also, these non – compete clauses restrict us from doing business with or entering new markets where our business partner may already have a presence. Such restrictive clauses hamper our ability to offer services to customers in a specific industry in which we have acquired expertise and may adversely affect our business and growth.

Various clients, specifically government affiliated projects, have strict guidelines and our association with a local partner is mandatory to procure the project. In case of any intentional or unintentional violation of any of the terms of the business agreements with our business partners, they may terminate the association. Without local association, we may not be able to operate in that geographic location resulting in loss of many clients pertaining to that region, thus affecting our business operations and financial conditions. Further, our business partner may also initiate any legal proceedings against us in case of violations of the terms of the agreement. If any of these legal proceedings materialise, it may affect market image, brand value our financial condition seriously.

4. ***Our revenues are dependent upon our meeting specific customer requirements largely on a case-to-case basis. Any failure or limitation on our ability to provide customised software services may detrimentally affect our future growth.***

Our assignments for providing services largely involve us providing business and software solutions on a case to-case basis, depending upon the needs of each customer. Our inability to provide customised software solutions could lead to erosion of our market image and brand value, which could lead to customers discontinuing their work with us and stagnation of our customer base, which in turn could harm our business and profitability. Our future growth will depend on our continued evolution of specific sets of customised services to deal with the rapidly evolving and diverse needs of our customers in a cost competitive and effective manner.

5. ***Our Company enters into any Service Level Agreements (SLAs) with its customers and we are required to operate on the basis of the terms therein. Restrictive clauses in these SLAs and our inability to maintain the clauses would adversely impact our image, revenues and profitability.***

We enter into Service Level Agreements with our clients and certain of our existing SLAs and other agreements have clauses, which restrict us from providing services to competitors of our existing customers during the period the SLA is active. Certain of our existing service agreements and other agreements contain clauses that restrict our employees working for a particular customer from providing services to a competitor of that customer. Such clauses may restrict our ability to associate with clients in similar industry which may result lower revenue for any sector specific product / service. It also hampers our ability to improve and customise the products for universal applications.

Further, certain of our SLAs impose "cool off period" restrictions on us whereby our people who worked on a particular project for such a customer are restricted from working on similar projects for their competitors for a prescribed period. The cool off periods typically range from six to twelve months from the date of completion of the project. Although, we budget for such restrictions and rotate our people on other unrelated assignments to negate the impact of the cool off period restrictions, we cannot assure you that such restrictions will not have an adverse effect on our business, financial condition and results of operations in the future.

6. ***We are at risk of termination of our contracts pursuant to a short notice period with no penalty. Any such termination may detrimentally affect our business and operations.***

   Our customers typically retain us through non-exclusive service level agreements. These contracts are typically terminable by the customer without cause on a short notice period. As a result, our contracts may be terminable due to circumstances beyond our control, such as changed strategic software requirements of the customer, financial constraints of the customer, a more competitive option offered by a competitor, a change in policy regarding outsourcing of software by the customer or a perceived failure to provide services and products as required by the customer. Additionally, our service agreements with customers are typically without any commitment to a specific volume of business or future work. The contracts entered into between us and our customers relate to particular assignments in relation to which a set of quality control norms and mechanisms as well as a time-frame for delivery is typically stipulated. If we are not able to provide our software products or services within these particular parameters, our customers may be able to terminate these contracts. There can therefore be no certainty that our revenue flow at a particular point of time will be sustained through a particular fiscal year or into the next fiscal year.

7. ***We depend on a limited number of customers for a significant portion of our revenues. The loss of a major customer or significant reduction in production and sales of, or demand for our products from, our major customers may adversely affect our business, financial condition, results of operations and prospects.***

   A significant majority of our income from operations is from services and products & solutions provided in the export and domestic market. We depend on a limited number of customers for a significant portion of our revenues. Revenue from our top 10 customers constituted 89%, 98% and 99%, of our income from operations for fiscal 2015, 2014 and 2013, respectively. Demand for our products and services is related to various factors such as our understanding of the clients business needs, timeliness of our service / product execution, competitor products / services availability and the quality of service / products provided by us. Further, with the advancement of IT industry, various new products, technologies, platforms are brought forward and we always run the risk of providing products / services that are out of date and redundant. This may result in our customers opting for other product / service provider. Any loss of client base, out of our existing clients, will impact our overall sales, resulting in a sharp decline in our revenues. Further, we face immense competition from other providers of similar IT products and services, which may result in some of our customers reducing their orders to us. Any reduction in orders from our existing clients may result in a decline in our revenues.

   While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

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

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

   For example, our product – “Hospice”, is a Hospital Information Management System (HIMS), developed with the knowledge that an efficient hospital management system management is the one that requires being precise and cost-effective at the same time. It also provides relevant information across the hospital to support effective decision making for patient care, hospital administration and critical financial accounting, in a seamless flow. This product, designed for the healthcare industry, is a sector specific product and any downfall in the healthcare sector or decrease in IT spending by healthcare centres such as hospitals, laboratories, clinics etc. will cause the demand for our Hospice product to reduce. Similarly, our other products and services like PowerERM (HR based), iOnAsset (Inventory and Asset Management), RealWin (Real Estate), etc. are all sector specific. Any significant decrease in the growth of the industries or significant consolidation in the industries we cater to, or any decrease in growth or consolidation in industry segments in which we operate, may reduce the demand for our products and services leading to adverse effect on our financial results.

9. ***Our development centres are concentrated in 2 cities in India i.e. Mumbai & Pune. Our results of operations could be materially and adversely affected if such facilities are disrupted.***

Majority of our employees (including those under professional assignment with our Company and our subsidiaries as well as our trainees) as of October 31, 2015, are based in development centres located in Mumbai or Pune, in India. These development offices are the one of the main locations from where we provide our services / products and solutions to our clients world-wide. Because of the concentration of our people and other resources at these facilities, our results of operations could be materially and adversely affected if one or more of those facilities are damaged as a result of a natural disaster, including an earthquake, flood, fire, or other event that disrupts our business or causes material damage to our property. Also, our operations in these centres may be interrupted due to discontinuation / non-renewal or cancellation of the existing rent agreements on these places. Although we have back-up facilities for some of our operations, it could be difficult for us to maintain or resume our operations quickly in the aftermath of such a disaster / event. Further, we also do not have any insurance to cover any such loss or damage to our assets.

10. ***Our revenues could be significantly affected if the governments in countries in which our customers or business partners are based, restrict companies from outsourcing work to non-domestic corporations.***

The issue of companies outsourcing services to organisations operating in other countries has become a topic of political discussion in many countries. In addition, there has been recent publicity about negative experiences associated with offshore outsourcing, such as theft and misappropriation of sensitive customer data, particularly involving service providers in developing countries. Current or prospective customers may elect to perform such services themselves or may be discouraged from transferring these services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider.

Any downturn or reversal of existing industry trends toward offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from the other countries. Measures aimed at limiting or restricting offshore outsourcing have been enacted in a few countries and there is currently legislation pending in several countries. The measures that have been enacted to date generally have restricted the ability of government entities to outsource work to offshore business process service providers.

For example, in the Middle East region, various governments like UAE, Saudi Arabia, Qatar, etc., have strict rules for outsourcing not only government projects, but also projects of local corporations. Hence, we have set-up subsidiaries / group companies in various countries in the region which source local clients. The products / services as per the client requirements are sourced by these subsidiaries and group companies from us through internal agreements and state of works (SOWs) executed amongst us. Though, due to the aforementioned arrangement we have not significantly adversely affected our business, however, pending or future legislation in these countries that could significantly adversely affect our business, results of operations and financial condition could be enacted.

11. ***We face competition for employees in our market. Our success depends in large part upon our highly skilled software professionals and our ability to attract and retain these personnel. Any failure to do the same could adversely affect our business and operations.***

Our ability to execute projects and to obtain new customers depend largely on our ability to attract, train, motivate and retain highly skilled software professionals, particularly project managers and other mid-level professionals. The attrition rates in the industry in which we operate have been high due to a highly competitive skilled labour market in India.

We invest in training professionals that we hire to perform the services we provide. These professionals are often targeted by the lateral recruitment efforts of our competitors. If we cannot hire and retain qualified personnel, our ability to bid on and obtain new projects may be impaired and our revenues could decline. In addition, we may not be able to expand our business effectively. We believe that there is significant worldwide\ competition among employers to attract software professionals with the skills necessary to perform the services we offer, including from non-Indian, international software service providers. Additionally, we may have difficulty redeploying and retraining our software professionals to keep pace with continuing changes in technology, evolving standards and changing customer preferences. Similarly, if we are unable to hire new trained software professional as and when required, we may not be able to execute our growth plans partially or at all thus resulting in loss of future business and revenues.

12. We face intense competition, and competition may have a negative impact on our business prospects, future performance and financial condition.

The market for software products / solutions and services is intensely competitive and characterised by rapid changes in technology, user requirements, industry standards and frequent new product introductions and improvements. We expect competition in product and pricing terms to increase. Competitive pressures could also lead to increases in expenses such as advertising and sales promotion expenses, R&D expenses, product rebates, product placement fees, continuous product service and marketing support provided to our business partners. Our current and potential competitors may also establish co-operative relationships among themselves or with third parties that may further enhance their resources. Current or potential competitors may be acquired by third parties with greater available resources. As a result of such acquisitions, our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their solutions, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their offerings more quickly than we do.

We compete with companies that offer a broad array of IT products & services in each sectors. We face competition from both international and Indian companies. Large companies in each sector like healthcare, education or manufacturing increasingly incorporate the technology based system and functionality into their products and services, and enhance that functionality either through internal development or through strategic alliances or acquisitions. Some of our competitors are global companies that have larger technical and financial resources and the broad customer bases needed to bring competitive solutions to the market. Such companies may use these advantages to offer solutions that are perceived to be as effective as ours at a lower price or for free as part of a larger marketing set-up or solely in consideration for maintenance and services fees. They may also develop different products to compete with our current solutions and respond more quickly and effectively than we do to new or changing opportunities, technologies, standards, devices, platforms or client requirements.

Our competitors may enjoy potential competitive advantages over us, such as:

- greater name recognition, a longer operating history, a larger customer base and extensive international operations;
- larger number of technical staffs;
- larger sales and marketing budgets and resources;
- larger research and product development budgets and resources;
- broader distribution and established relationships with business and technology partners;
- greater customer support resources;
- resources to make acquisitions;
- larger intellectual property portfolios; and
- greater financial, technical and other resources.

Piracy based competition: With software piracy at large, we always face the risk of competition from cheap pirated software vendors who provide cheap imitation of the solutions and services we offer. Though such vendors do not themselves enjoy greater overall revenues, but they may result in our clients cancelling or discontinuing our services.

13. New products and services developed by us may not be profitable by themselves.

Our growth depends on our ability to innovate by offering new, and adding value to our existing, software and service offerings. The Company has identified strategic areas to support specifically in the fields of cloud computing, analytics, enterprise mobility and enterprise collaboration. The Company will continue to make significant investments in research, development, and marketing for new products, services, and technologies in these areas. Our Company is currently intending to implement the above mentioned service fields in the Solar Energy sector by developing a product which aims at financial management, budgeting, invoicing, cloud based operation, solar panel integration and mobile support along with market and completion study.

Commercial success depends on many factors, including innovativeness, customer support, and effective distribution and marketing. If customers do not perceive our latest offerings as providing significant new functionality or other value, they may not purchase our services which would unfavourably impact our revenue. As a result, the demand for our technology, products, and services and the income potential of these businesses are unproven. We may not achieve significant revenue from new product and service investments for a number of years, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services in these focus areas may not be as high as the margins we have experienced historically. In addition, because the market for such technology is relatively new and rapidly evolving, we have limited insight into trends that may emerge and affect our business. We may make errors in predicting and reacting to relevant business trends, which could harm our business.

14. ***Delays or defaults in customer payments could result in a reduction of our profits.***

We regularly commit resources to projects prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on projects as they are incurred. We may be subject to working capital shortages due to delays or defaults in customer payments. If customers default in their payments on a project to which we have devoted significant resources or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations.

Further, many of our engagements and projects are directly linked to clients of our subsidiaries or group companies in various geographic locations. Any default or delay in payment by the client to our subsidiary or group company, may indirectly affect our cash flows and hamper our financial condition and results of operations.

15. ***Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity, details of which are given below. Sustained negative cash flow could impact our growth and business***

Our Company had reported certain negative cash flows from our operating activities, investing activities and financing activities in the previous years as per the standalone restated financial statements and the same are summarised as under:

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Cash flow from Operating Activities	31.18	9.03	115.46	5.94	(13.99)	55.93
Cash flow from Investing Activities	(30.85)	(8.82)	(168.64)	(10.67)	(2.98)	(22.35)
Cash flow from Financing Activities	-	-	20.00	1.00	-	(0.08)

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 our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

16. ***Our Company has entered into certain related party transactions and may continue to do so in the future***

Our Company has entered into related party transactions with our Promoters, Directors and the Promoter Group aggregating ₹ 344.25 lakhs for the last financial year ended March 31, 2015. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future.

For example, some of our clients get billed from our subsidiary companies and then in turn our subsidiaries are billed by us. The rate at which we bill our subsidiaries and vice-versa are decided on a case to case basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “*Annexure XVIII - Related Party Transactions*” under section titled “*Financial Statements*” on page 173 of this Draft Prospectus.

17. ***Some of our Subsidiaries and Group Entities have incurred losses during the last three financial years***

Some of our Promoter Group Entities have incurred losses during the last three financial years, details of which are as under:

Subsidiaries

(₹ in lakhs)

Name of the Company	March 31, 2015	March 31, 2014	March 31, 2013
Octaware Information Technologies Pvt. Ltd.	-	(0.13)	-

Foreign Group Companies

(amount in $)

Name of the Company	Dec 31, 2013	Dec31, 2012	Dec 31, 2011
Octaware Technologies LLC, USA	(877)	(103)	(784)

18. ***Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and actual cost may vary compared with the estimated amount.***

Our funding requirement and deployment of the proceeds of the issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change as a result of various factors which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the working capital limits maintained from time to time at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and our subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

19. ***Our customers' proprietary rights may be misappropriated by our employees or subcontractors in violation of applicable confidentiality agreements. If any claim for infringement were to be successful, it may adversely affect our business operations and reputation.***

We require our employees and subcontractors to enter into invention assignment and confidentiality arrangements to limit access to and distribution of our customers' intellectual property and other confidential information as well as our own. We can give no assurance that the steps taken by us in this regard will be adequate to enforce our customers' intellectual property rights. If our customers' proprietary rights are misappropriated by our employees or our subcontractors or their employees, in violation of any applicable confidentiality agreements or otherwise, our customers may consider us liable for that act and seek damages and compensation from us.

20. ***Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.***

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. To address these issues and to minimise the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and, use encryption technology for transmitting and storing critical data such as passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business.

21. ***In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the Chapter "*Objects of the Issue*" on page 56 of the Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

22. ***We are subject to risks arising from exchange rate movements. Our financial results could be detrimentally affected by such unfavourable movements in exchange rates.***

Although our functional currency is the Indian rupee, we transact a significant portion of our business in several other currencies, particularly the US$. Our exchange rate risk primarily arises from our foreign currency revenues, receivables, payables and other foreign currency assets and liabilities, including that of our subsidiaries. We expect that a majority of our revenues will continue to be generated in foreign currency for the foreseeable future. During the three month period ended June 30, 2015, FY 2015, FY 2014 and FY 2013, our foreign currency revenues were ₹ 43.03 lakhs, ₹ 303.61 lakhs, ₹ 298.60 lakhs and ₹ 293.97 lakhs, respectively, which represented 96.32%, 92.51%, 97.30% and 98.26% of our total revenues, respectively.

A significant portion of our expenses, comprising personnel expenses, professional fees and operating and other expenses are and will continue to be denominated and incurred in Indian Rupees. Therefore, changes in the exchange rate between the Rupee and other currencies, especially with respect to the US$, may have a material adverse effect on our revenues, other income, cost of services, operating costs and net income, which may in turn have a negative impact on our business, operating results and financial condition. The exchange rate between the Rupee and the US$ has been volatile in recent years and may fluctuate substantially in the future.

Further, we have not entered into any foreign exchange forward contracts or any other hedging transaction to cover any outstanding accounts receivables and projected earnings in foreign currency. As on March 31, 2015, the value of foreign exchange exposure which was not hedged by a derivative instrument or otherwise was as below:

Particulars	Currency	As on March 31, 2015	
		Amount in Forex	Amount in ₹
Trade Receivables / Sundry Debtors	USD	2,30,904	1,44,52,485
Trade Receivables / Sundry Debtors	SGD	33,356	15,78,617
Trade Receivables / Sundry Debtors	QAR	52,369	9,54,684
Trade Receivables / Sundry Debtors	SAR	2,30,823	40,86,506

If there is a delay in the above receivable, or a sudden downward exchange rate movement in the above mentioned currencies, then our revenues calculation in Rupee terms may be adversely impacted. Also, if we decide to hedge these receivables in the future, it may result in additional cash flows for premiums and commissions on the hedging instrument.

23. ***If the software that we develop for our customers experience serious problems or failures or if we are unable to meet our contractual obligations, we may face legal liabilities and damage to our professional reputation. Further, we may be liable to our customers for damages caused by system failures or breach of security obligations and our insurance coverage may not be sufficient so as to cover claims for breach of our obligations.***

The engagements that we perform for our customers are often critical to the software development programs of our customers' businesses and any failure in our customers' software or systems could subject us to legal liability, including substantial damages, regardless of our responsibility for such failure. The terms of our customer engagements are typically designed to limit our exposure to legal claims and damages relating to our services. However, these limitations may not be enforceable under the laws of certain jurisdictions. In addition, if our customers' proprietary rights are infringed by our employees in violation of any applicable confidentiality agreements, our customers may consider us liable for that act and seek damages from us. We also do not maintain any insurance cover for errors and omissions and hence may not be covered for any such claims or damages. Assertion of one or more legal claims against us could have an adverse effect on our business and our professional reputation.

Many of our contracts involve software development projects that are critical to the operations of our customers' businesses. Further, our customer contracts may require us to comply with certain security obligations including maintaining network security and back-up data, ensuring our network is virus free and verifying the integrity of employees that work with our customers by conducting background checks. Any failure in a customer's system or breach of security relating to the services we provide to the customer could damage our reputation or result in a claim for substantial damages against us. We cannot assure you that any limitations of liability set forth in our service contracts will be enforceable in all instances or will otherwise protect us from liability for damages in the event of a claim for breach of our obligations. Since we do not have any insurance coverage, a new insurance coverage may not be available in the future on reasonable terms or in amounts sufficient to cover large claims.

Successful assertions of one or more large claims against us could have a significant adverse effect on our business, results of operations and financial condition.

24. ***Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition***

Our Company is depending significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience for our software development and software services.

Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please refer to the chapter titled *"Our Management"* beginning on page 119 of this Draft Prospectus.

25. ***We have undertaken and may continue to undertake acquisitions / set-up subsidiaries, which may prove to be difficult to integrate and manage or may not be successful, and may result in increased expenses or write-offs.***

We have pursued and may continue to pursue acquisition opportunities or set-up new subsidiaries to enhance our capabilities and address gaps in industry expertise, technical expertise and geographic coverage. It is possible that we may not identify suitable acquisition or investment candidates or joint venture partners or we are not able to set-up the subsidiary with the required expertise, reach and capability. Also, if we do identify suitable candidates or partners, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to successfully set-up or acquire new subsidiaries or our inability to identify suitable acquisition targets or investments or joint ventures or the inability to complete such transactions may adversely affect our competitiveness and our growth prospects. In Octaware Information Technologies Pvt. Ltd., our Company acquired 99% shares of Octaware Information Technologies Pvt. Ltd. making it a subsidiary; in UAE, our Company set-up a wholly owned subsidiary by the name of Octaware Gulf FZE; and we are in process of acquiring approximately 66% stake in one of our group company, Octaware Technologies, LLC in USA, making it our subsidiary.

When we acquire or set-up any company as a subsidiary, we could have difficulty in initialising and/or assimilating that company's personnel, operations, products, services, technology and software with our operations. In addition, if the subsidiary is acquired, the key personnel of the acquired company may decide not to work with us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. Further, any such acquisition or setting up of a subsidiary that we attempt, whether or not completed, or any media reports or rumours with respect to any such activity, may adversely affect the value of our Equity Shares. Also, considering the fact that these subsidiaries are spread in different countries, we cannot assure that we would be able to:

- Adequately analyze key risks and other metrics prior to beginning operations through these subsidiaries;
- Develop a well trained operations team with relevant systems and processes to handle the unit;
- React effectively to any Government regulation pertaining in that country which prohibits export or trade or other such externality which would be having a major impact on cost of operations;
- Comply with various regulations of country specific laws and other IT industry regulations.

The lack of experience in new subsidiary could adversely affect our ability to achieve our sales and key execution targets and hence adversely impact our future consolidated and standalone results of operations and financial conditions.

26. ***Our Subsidiary, Octaware Information Technologies Private Limited, avails certain tax benefits, which may not be available in the future.***

Our subsidiary, Octaware Information Technologies Pvt. Ltd., having its registered office at 204, 2nd floor, Timmy Arcade, Makwana Road, Marol, Andheri (East), Mumbai - 400059, has a development office at Unit No. 003, Tower – II, SEEPZ++ Building, SEEPZ SEZ, Andheri – East, Mumbai – 400 096, which is situated in a SEZ. Pursuant to the SEZ rules, our subsidiary enjoys various tax benefits. If there is any change in the rules of SEZ or the government declares the SEZ as dissolved or MIDC cancels our tenancy / lease on the said property for any reason, we will cease to enjoy the tax benefits thereon, resulting in reduction in post tax profits and cash out flows.

27. We do not own some of our key properties which are used by us currently

Our Registered Office situated at 204 Timmy Arcade, Makwana Road Marol. Andheri (E) Mumbai – 400 059, is rented in the name of our subsidiary, Octaware Information Technologies Private Limited ('OIT'). Also, we have development offices in Mumbai and Pune. The development office situated at MIDC SEEPZ, which is a SEZ in also tenanted to OIT by the MIDC. We have no agreement or NoC with our subsidiary for use of these properties. If our subsidiary discontinues this arrangement or decides that it requires the space for its own operations, we may have to re-locate at a short notice. Further, we also operate a development office in Pune which is owned by our promoter Group, Mrs. Nazia Hameed (Wife of our Promoter, Mr. Sajid Hameed). The rent agreement for the same has expired, but we continue to carry out our operations in the said premises on the basis of the terms as per the earlier agreement.

We cannot guarantee the continuity of the above arrangements and our subsidiary and promoter group may cease these arrangements. We may not be able to find suitable locations in time or at all in the location required which may cease the various benefits that were reaped earlier. Also, we may have to rent or acquire office location at a rent or price which may be much higher than the prevailing market rates, which would require an immediate cash outflow. This may result in additional cost, disruption of day-to-day activities and increased rent burden which would adversely affect our financial condition.

For details regarding such tenancy / rented properties, please refer to *"Our Business – Properties"* on page 104 of this Draft Prospectus.

28. In addition to normal remuneration, other benefits and reimbursement of expenses our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company

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

29. There may be potential conflict of interests between our company and other venture or enterprises promoted by our promoters or directors.

The Main Object Clause of our subsidiaries – Octaware Information Technologies Pvt. Ltd. (OIT), Octaware Gulf FZE and that of our Group Company Octaware Technologies LLC, permits them to undertake similar business to that of our business, which may create a potential conflict of interest and which in turn, may have an implication on our operations and profits. Besides, our Company undertakes many business activities with our subsidiaries and group companies for its products and services.

For example, we have entered into a 'Master Services Agreement' (MSA) with our Subsidiary company, Octaware Gulf FZE ('Octaware Gulf') wherein Octaware Gulf will obtain the services and expertise of our Company for a fee as decided on a case-to-case basis. The products / services as provided by our Company are then delivered by Octaware Gulf to its client. These transactions are governed entirely by a Statement of Works (SOW) enumerating the scope, rate and non-compete clauses. We have similar arrangements with our other subsidiaries and group companies and we try to ensure that all these transactions are carried out at an arms-length.

However, we cannot be assured that we shall be able to adopt necessary measures for mitigating any conflicts arising out the above arrangements and hence the same if not managed well, could adversely affect our results of operations and financial condition. For further details, please refer to the chapters titled '*Business Overview*', '*Our*

Group Companies', beginning on pages 88 and 135, respectively and '*Annexure XVIII - Related Party Transactions'* on page 173 of this Draft Prospectus.

30. Our business will suffer if we fail to keep pace with the rapid changes in technology in the industries on which we focus.

The IT industry is characterised by rapid technological changes, evolving industry standards, changing customer preferences and new product and service introductions. We cater to various industry sectors like Healthcare, Education, Telecom, Oil & Gas, Real Estate & Construction, Banking & Financial Services and Manufacturing. These sectors have also witnessed major technological changes in recent years and we believe the same will continue in future also. Our future success will depend on our ability to anticipate these advances and develop new service offerings to meet our customers' needs. We may not be successful in anticipating or responding to these technological advances on a timely basis or, if we do respond, the services or technologies we develop may not be successful in the marketplace. Furthermore, services or technologies that are developed by our competitors may render our services uncompetitive or obsolete. If any of the above events were to materialise, our business operations, market image and financial condition could be adversely affected.

31. Our inability to protect or use our intellectual property rights may adversely affect our business.

While we have registered our device – "OCTAWARE The Bridge TO Productivity", containing the words 'Octaware', we have not registered our name 'Octaware' or 'Octaware Technologies' as a trademark and therefore, we do not enjoy the statutory protections accorded to a registered trademark. Consequently, we are subject to various risks arising out of the same, including but not limited to infringement or passing off our name by a third party. We would also not enjoy the statutory protections accorded to a registered trademark.

Further, we provide various products and solutions developed internally by us such as PowerERM, Hospice, iOnAsset, etc. Though none of our products / solutions are yet copyrighted by us, we have made applications for copyrights of some of products / solutions recently. The following are the copyrights applied for by our Company:

Sr. No.	Title of Computer Software	Online Application Acknowledgement Date	Diary Number
1.	"PowerERM" – An Employee Relationship Management System	15th December, 2015	13602/2015-CO/SW
2.	"iOnAsset"-An Automated Asset Tracking andManagement System	15th December, 2015	13601/2015-CO/SW
3.	"Hospice"-A Complete Hospital Information Management System	15th December, 2015	13599/2015-CO/SW

We cannot guarantee that we will be able to obtain the copyrights for in time or at all. If we fail to obtain the copyrights applied for and also any further copyrights intended we may face the risk of infringement from existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims.

For further details please refer to section titled "*Government and Other Statutory Approvals*" on page 195 of this Draft Prospectus.

32. We have not made any provisions for decline in value of our Investments

As on March 31, 2015 and period ended June 30, 2015, we have made investments in Equity Instruments aggregating to ₹ 5.49 lakhs and Nil, respectively, as per Consolidated Restated Financial Statements. We have not made any provision for the decline in value of these investments and hence as and when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and the same could adversely affect our results of operations.

33. Our inability to manage growth could disrupt our business and reduce profitability

We have experienced a steady growth in recent years. Our consolidated revenues, as restated, grew at an annual growth rate of 34.96% during Fiscal 2015. Our consolidated net profit, as restated, decreased by 14.28% during Fiscal 2015.

A principal component of our strategy is to continuously grow by expanding the size and geographical scope of our business. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in:

i. recruiting, training and retaining sufficient skilled technical, sales and management personnel;
ii. adhering to our high quality and process execution standards;
iii. maintaining high levels of customer satisfaction;
iv. managing a larger number of customers in a greater number of industry sectors;
v. integrating expanded operations while preserving our culture, values and entrepreneurial environment; and
vi. developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems.

Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

34. We may be subject to third party claims of intellectual property infringement. Such claims would be time consuming to defend and may detrimentally affect our business. In the event we fail to defend such claims successfully, it could detrimentally affect our financial condition, business and reputation.

Although there are currently no material pending or threatened intellectual property claims against us, infringement claims may be asserted against us in the future. There has been a substantial amount of litigation in the software industry regarding intellectual property rights. It is possible that in the future, third parties may claim that our current or potential future software solutions infringe their intellectual property. We expect that software product developers will increasingly be subject to infringement claims as the number of products and competitors in our industry segment grow and the functionality of products in different industry segments overlap. In addition, we may find it necessary to initiate claims or litigation against third parties for infringement of our proprietary rights or to protect our trade secrets. Although we may disclaim certain intellectual property representations to our customers, these disclaimers may not be sufficient to fully protect us against such claims. We may be more vulnerable to patent claims since we do not have any issued patents that we can assert defensively against a patent infringement claim. Any claims, with or without merit, could be time consuming, result in costly litigation, cause project delays or require us to enter into royalty or license agreements. Royalty or licensing agreements, if required, may not be available on terms acceptable to us or at all, which could have a material adverse effect on our business, operating results and financial condition.

Our customer contracts and partner agreements contain broad indemnity clauses and under most of our contracts, we are required to provide specific indemnity relating to third party intellectual property rights infringement. In some instances, the amount of these indemnities may be greater than the revenues we receive from the customer. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial damage award and be forced to develop non-infringing technology, obtain a license, or cease selling the solution or products that contain the infringing technology. We may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms, or at all. We may also be required to change our methodologies so as not to use the infringed intellectual property, which may not be technically or commercially feasible and may cause us to expend significant resources. Any claims or litigation in this area, irrespective of the outcome, could be time-consuming and costly and/or injure our reputation.

35. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the continued services of our promoters and our ability to retain them.

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Having worked with technology companies like TCS, Microsoft, Citibank and AskMe Inc., Mr. Aslam Khan started Octaware in 2005 pooling all his experience. He was aided by Mr. Sajid Hameed who has rich experience in setting up business, developing markets, managing customers and handling overall businesses. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in their present position, i.e. having previous working background with major corporations like Microsoft, Askme, etc., if any of our promoters decide to join any corporation in managerial capacity or otherwise, we may not be able to replace them easily or at all.

Further, our Promoters have also promoted other companies and may continue to do so. If they divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Moreover, we do not maintain Keyman Insurance Policy to insure against the loss of our Promoters.

Our Promoters, along with the key managerial personnel, have over the years built relations with clients, business partners, technology partners, government agencies and other persons who are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

36. ***Failure to obtain pre-qualifications and/or certifications could adversely impact our business.***

Our Company has obtained various certifications, accreditations and awards from globally renowned organisations like CMMI, iCMG, Stevie IBA , Red Herring and Deloitte. For details of these certifications and awards, please refer the chapter "Our Business" on page 88 of this Draft prospectus. Also, we have obtained an Independent Software Vendor Royalty License (ISVRL) from Microsoft making us one of the few Gold Network Partners of Microsoft globally. These achievements help us in marketing and obtaining clients and business partners including large organisations, institutions, and governments. If fail to obtain necessary certifications in time or if we are unable to renew any of certifications in future, our capability to engage in clients will be severely and adversely affected resulting in a decrease in business opportunities.

As part of the various certifications and accreditations received by us, we are required to adhere to certain terms and conditions failing which, our partners can terminate the agreement at a very short notice or immediately. For example, having obtained the Microsoft ISVRL and distribution rights, the agreement entails strict copyrights / trademark rules, anti-piracy policy, anti-corruption and anti money laundering laws, indemnity and confidentiality clauses. Microsoft can terminate this royalty agreement within a short period of upto 30 days in case of any breach of the terms and conditions mentioned therein. In such an event, we would not be able to provide various products, solutions and services to our customers as majority of our products / services are based on Microsoft platforms. This would adversely affect our business operations and financial condition.

Also, certain customers, including government contracts, generally require software suppliers and service providers to have certain level of certifications and to undergo pre-qualification processes. These processes evaluate both the technical ability to provide relevant products with the exact specifications needed by the end user, and the production capabilities of the supplier. These processes generally take time to complete and involve the incurrence of considerable up-front expenses in learning and meeting customer qualification requirements.

37. ***We have a limited ability to protect our intellectual property rights, and unauthorised parties could infringe upon or misappropriate our intellectual property.***

We rely on a combination of copyright, trademark and design laws, confidentiality procedures and contractual provisions to protect our intellectual property, including our brand identity. However, the laws of India may not protect intellectual property rights to the same extent as laws in the other countries. Therefore, our efforts to protect our intellectual property may not be adequate and we may not be able to detect unauthorised use or take appropriate and timely steps to enforce our intellectual property rights.

Our competitors may independently develop proprietary methodologies similar to ours or duplicate our products or services. Unauthorised parties may infringe upon or misappropriate our services or proprietary information. The misappropriation or duplication of our intellectual property could disrupt our business, distract our management and employees, reduce our revenues and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome of any such litigation cannot be guaranteed. For more information regarding our intellectual property, see "*Our Business - Intellectual Property*" on page 105 of this Draft Prospectus.

38. Our international operations expose us to complex management, foreign currency, legal, tax, and economic risks. These risks may have a materially adverse effect on our business, financial condition and results of operations.

We and our subsidiaries have offices in countries outside India and some of our professionals are based overseas. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations in international markets, including:

i. cost structures and cultural and language factors, associated with managing and coordinating our international operations;
ii. compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour and tax laws where we usually rely on the opinions of experts on such matters, including in relation to transfer pricing norms and applicability of the relevant provisions of double taxation avoidance agreements, but which often involve areas of uncertainty;
iii. difficulty in staffing and managing foreign operations;
iv. potential difficulties with respect to protection of our intellectual property rights in some countries; and
v. exchange rate movement.

The risks stated above and the constantly changing dynamics of international markets could have a material adverse effect on our business, financial condition and results of operations.

39. If we suffer a large uninsured loss our financial condition and results of operations may be adversely affected.

Our business, assets and property could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be covered by insurance. Currently we do not have any insurance policy for any of our business or assets or properties. Thus any of the aforementioned losses will not be compensated to any extent. If we are required to take new coverage, there can be no assurance that a suitable coverage will be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Presently, if we suffer a large uninsured loss our business, financial condition and results of operations may be adversely affected.

RISK FACTORS RELATED TO EQUITY SHARES

40. Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

41. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Draft Prospectus;
- Strategic actions by us or our competitors;

- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Indian IT companies generally;
- Performance of our competitors in the Indian IT industry and the perception in the market about investments in the IT sector;
- Significant developments in the regulation of the IT industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker 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 from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

43. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiaries and the dividends they distribute to us. Our business is working capital as well as capital intensive. We further propose to incur capital expenditure for various purposes as enumerated in the "*Objects of the Issue*" on page 56 of this Draft Prospectus. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold other than on a recognised stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India at a relatively higher rate as compared to a transaction where STT has been paid in India. 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 in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

EXTERNAL RISK FACTORS

45. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, of India, as amended ("Competition Act") regulates practices having an appreciable adverse effect on competition ("AAEC") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid- rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

We are not currently party to any outstanding proceedings, nor have we received notice in relation to noncompliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and cash flows.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

47. Changing laws, rules and regulations and legal uncertainties in India, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. Please refer the chapter "*Key Industry Regulations and Policies*" on page 107 of this Draft Prospectus for details of the major laws currently applicable to us in India.

There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in 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 implementation of the new regulations may have a material adverse effect on all our business, financial condition, results of operations and cash flows. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially adversely impact our results of operations and cash flows.

For instance, the government has proposed a comprehensive GST regime that will combine taxes and levies by the central and state governments into a unified rate structure. 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 such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. The Finance Act, 2015 received presidential assent, whereby certain changes have been announced in relation to various tax legislations. The changes introduced, include, hike in service tax rates, changes to Cenvat Credit Rules, 2004, changes in excise duty rates and amendments to the Customs Act, 1952 and we cannot predict the impact of the changes introduced in Finance Act, 2015 on the business, financial condition, results of operations and cash flows.

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

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

49. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other\ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

50. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, 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.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

51. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

52. Immigration restrictions could limit our ability to expand our operations in the other countries, especially in the United States.

We derive a high proportion of our revenues from customers located outside India in various countries, which may be affected materially by restrictions on immigration issues for our employees. Most of our employees are Indian nationals. The ability of our software professionals to work in other countries like the United States, European countries and in other countries depends on our ability to obtain necessary visas and work permits. Most of our software professionals in the other countries hold a temporary visa that allows employees to remain in the that country while he or she is an employee of the Company, and may be granted to certain categories of persons in several “specialty occupations” including software professionals such as our employees, so long as their compensation meets annually adjusted minimums. Those adjustments may force increases in the salaries we pay to our employees with overseas visas, resulting in lower profit margins. Also, various countries impose restrictions on the number of work visa / permit issued to another particular country. If this restrictions are triggered, we not be able to send our employees for the project already undertaken leading to disruption in our operations and also adverse market image. Further, many governments have increased the level of scrutiny in granting visas. This may lead to increase in the limits on the number of visas granted. Certain country laws, like the US immigration laws require us to comply with various legal requirements including those relating to displacement and secondary displacement of US workers and recruiting and hiring of US workers, as a condition to obtaining or maintaining work visas for our software professionals working in the United States.

Immigration laws in the other countries are subject to legislative change, as well as to variations in standards of application and enforcement due to political forces and economic conditions. It is difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or monitoring work visas for our software professionals. Our reliance on work visas for a significant number of software professionals makes us particularly vulnerable to such changes and variations. As a result, we may not be able to obtain a sufficient number of visas for our software professionals or may encounter delays or additional costs in obtaining or maintaining such visas.

53. There are no standard valuation methodologies or generally accepted accounting practices or standard of measure of the information technology and related industries.

There are no standard valuation methodologies or generally accepted accounting practices or standard of measure of the IT and related industries. Consequently, any comparison of our Company with other companies engaged in similar businesses may not provide investors with meaningful information, comparisons or analysis. Current valuations may not be reflective of future valuations within the information technology industries as our business is not meaningfully comparable with businesses in these industries. Our investors may therefore not be able to accurately assess and measure the value of our business factoring in the effectiveness of our solutions, and our potential for growth.

54. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

55. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of Our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see "*Presentation of Financial, Industry and Market Data*" on page 7 of this Draft Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"), which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, the Finance Minister, during the Budget speech, 2014, proposed the adoption of IND (AS) by Indian companies from fiscal 2016 on a voluntary basis, and from fiscal 2017 on a mandatory basis. Accordingly, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares.

Moreover, our transition to IFRS reporting may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. Any of these factors relating to the use of IFRS-converged Indian Accounting Standards may adversely affect our financial condition.

PROMINENT NOTES

1. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

2. The Net Worth of our Company is ₹ 450.66 lakhs and ₹ 450.33 lakhs and the book value of each Equity Share was ₹ 1.48 and ₹ 1.48 as of March 31, 2015 and June 30, 2015 as per our Standalone Restated Financial Statements. The Net Worth of our Company was ₹ 548.75 lakhs and ₹ 579.79 lakhs and the book value of each Equity Share was ₹ 1.80 and ₹ 1.90 as of March 31, 2015 and June 30, 2015 as per our Consolidated Restated Financial Statements. For more information, please refer the Section titled "*Financial Statements*" beginning on page 140 of this Draft Prospectus.

3. Public Issue of 11,11,200 Equity Shares for cash at price of ₹ 100 per share including a premium of ₹ 90

aggregating to ₹ 1,111.20 lakhs. The Issue will constitute 26.54 % of the post-Issue paid-up Equity Share capital of our Company.

4. The average cost of acquisition of Equity Shares by our Promoters is.

Promoter	Average cost (₹)
Mr. Aslam khan	2.50
Mr. Sajid Hameed	0.50

5. Investors are advised to refer to the chapter titled "*Basis for Issue Price*" beginning on page 63 of this Draft Prospectus.

6. The details of transactions by our Company with our Group Companies or subsidiary during the last year are disclosed under "*Annexure XVIII - Related Party Transactions*" on page 173 of this Draft Prospectus.

7. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, 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 6 (six) months immediately preceding the date of this Draft Prospectus.

8. Our Company was incorporated as Octaware Technologies Pvt. Ltd. on May 26, 2005 under the Companies Act, 1956, with the Registrar of Companies, Mumbai, Maharashtra, bearing Registration Number 153539 and CIN U72200MH2005PTC153539. The status of our Company was changed to public limited company and the name of our Company was changed to Octaware Technologies Ltd. by a special resolution passed on June 15, 2015. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 17, 2015, by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U72200MH2005PLC153539.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

OVERVIEW OF GLOBAL AND DOMESTIC I.T. INDUSTRY

Global Scenario

According to the Network Readiness Index (NRI), the top 10 countries that are best placed to benefit from new Information and Communication technologies (ICT's) are as follows:

Rank	Country	Value	Rank in Previous Year
1	Finland	6.04	1
2	Singapore	5.97	2
3	Sweden	5.93	3
4	Netherlands	5.79	4
5	Norway	5.70	5
6	Switzerland	5.62	6
7	United States of America	5.61	9
8	Hong Kong	5.60	14
9	United Kingdom	5.54	7
10	Republic of Korea	5.54	11

Finland tops the rankings for the second consecutive year, thanks to its outstanding digital infrastructure, which the Global Information Technology Report (GITR) says is the best in the world. With more than 90% of its population using the internet, and with high levels of innovation, Finland is reaping the rewards of investing heavily in ICT in the mid-1990s, which it did in response to a financial crisis.

Singapore remains in 2nd place in the NRI. Supported by a government with a clear digital strategy, which offers an ICT infrastructure that is relentlessly being improved, and the best online services and highest-quality education systems in the world, this city state has become a knowledge-intensive economy and ICT powerhouse.
Sweden stays in 3rd place, reflecting its world-class yet affordable digital infrastructure and stable pro-business environment, despite high tax rates.

The Netherlands retains its high ranking from the 2013 index. This service-based economy has quickly and skillfully recognized the importance of ICTs in boosting innovation and competitiveness.

Norway, with a well-developed and affordable ICT infrastructure, sits in 5th place in the NRI. Digital uptake is almost universal among Norway's population: 95% are internet users and more than 90% have access to a personal computer and internet connection at home.

Switzerland benefits from an excellent, if expensive, ICT infrastructure and a strong education system that provides the necessary skills to create a knowledge-based, technology-rich economy.

The United States of America has moved up 2 positions to 7th on the list, due to improvements in many areas of the index, including the country's already strong business and innovation environment and ICT infrastructure.

Hong Kong has shown the most pronounced improvement among the top 10, climbing six positions to eighth place due to improvements in conditions for innovation and entrepreneurship, better skills training and increased use by both business and government.

The United Kingdom dropped 2 places from last year. UK was early in recognizing the importance of ICTs, especially to innovation and competitiveness, and as a result has become highly digitized, with a thriving e-commerce environment.

South Korea moved up 1 position and enters the top 10. A country that has based its economic success largely on the ICT industry, Korea's government ranks first in the world in terms of online services.
(Source: Global Information Technology Report: The Risks and Rewards of Big Data, issued by World Economic Forum in 2014)

Market Size

India, the fourth largest base for young businesses in the world and home to 3,000 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by Nasscom and Zinnov Management Consulting Pvt Ltd.

India's internet economy is expected to touch ₹ 10 trillion (US$ 161.26 billion) by 2018, accounting for 5 % of the country's gross domestic product (GDP), according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). In December 2014, India's internet user base reached 300 million, the third largest in the world, while the number of social media users and smartphones grew to 100 million.

Public cloud services revenue in India is expected to reach US$ 838 million in 2015, growing by 33 % year-on-year (y-o-y), as per a report by Gartner Inc. In yet another Gartner report, the public cloud market alone in the country was estimated to treble to US$ 1.9 billion by 2018 from US$ 638 million in 2014. The increased internet penetration and rise of e-commerce are the main reasons for continued growth of the data centre co-location and hosting market in India.
(Source: Sectoral Report, issued by IBEF in February, 2015)

Indian IT Services

The Indian Information Technology / Information Technology Enabled Services (IT/ITES) sector has registered tremendous growth over the past decade,achieving iconic status all over the world and a reputation for reliable and cost-effective delivery of services. Today India is recognised as the outsourcing destination of choice in the world. The major developed markets are sourcing IT/ITES from India to gain bottom-line benefits, improving their competitive edge.

Indian IT companies have set up over 600 delivery centres across the world and are engaged in providing services with presence in over 200 cities across 78 countries. As a proportion of national GDP, the sector revenues have grown from 1.2 % in FY1997-98 to nearly 8.1 % in FY2013-14. India continues to maintain leadership position in the global sourcing arena, accounting for almost 55 % of the global sourcing market size in 2013 as compared to 52 % in 2012.

The Indian IT-ITES industry has emerged as one of the most dynamic sectors in India's economic development and is responsible for the global recognition of India as a 'soft' power. In addition to fuelling India's economy, the IT-ITES industry has been influencing the lives of its people through active direct and indirect contribution to various socio-economic parameters such as employment, standard of living and diversity.
(Source: Department of Electronics & Information Technology (DeitY))

Software Products in India

The software industry being the main component of the IT Industry in India has also helped the IT sector in India to grow at a good pace. As per the proceedings taking place in the software industry the future of the India Software Industry looks promising.

- India's IT industry can be divided into five main components, viz. Software Products, IT services, Engineering and R&D services, ITES/BPO (IT-enabled services/Business Process Outsourcing) and Hardware. Export revenues, primarily on project based IT Services continue to drive growth with IT Services. This accounts for 54.2% of total revenues followed by BPO and Engineering services at 19.5%, Software Products at 15.3% and hardware at 11%. Multi-year annuity based outsourcing agreements continue to increase at a steady rate. In terms of total export and domestic revenues, Application Development and Maintenance (ADM) still continue to be the bread and butter for Indian IT companies; however traditional services have become increasingly commoditised

- Increasing competition, pressure on billing rates of traditional services and increasing commoditization of lower-end services are among the key reasons forcing the Indian software industry to make a fast move up in the software value chain. The companies are now providing higher value-added services like consulting, product development, R&D as well as new digital technologies like social media, mobility, analytics, and cloud computing (SMAC).
  (Source: BusinessMapsof India.com)

SUMMARY OF BUSINESS

OVERVIEW

Our Company is a software development, enterprise solution and consulting firm engaged in the business of providing a range of Information Technology ("IT") solutions to companies across sectors such as Healthcare, Education, Telecom, Oil & Gas, Real Estate & Construction, Banking & Financial Services and Manufacturing sectors. We design, develop and maintain software systems and solutions, creates new applications and enhances the functionality of our customers' existing software products.

We endeavour to bring together creativity and knowledge with positive business strategy to furnish the requirements of diverse clients with an inclusive range of products and services which are comprehensive and cost-effective so that the client can focus on their core-competencies to improve or expand their businesses. Our Company delivers services across all stages of the product life-cycle, which enables us to work with a wide-range of customers and allows us to develop, enhance and deploy our customers' software products. The various services offered by our Company are Software Development Services, Enterprise Portal, ERP and CRM Implementation, Consulting Services, Mobile Solutions, RFID Solutions, Cloud and IT Infrastructure Services and Geospatial Services. Our comprehensive suite of service offerings allows us to attract new customers and expand existing customer relationships. We also provide an array of products and solutions like PowerERM – Employee Relationship Management, Hospice – Healthcare Solution and iOnAsset – Asset Tracking & Management System, RealWin – Real Estate CRM Solution, Life2Care – Patient Relationship Management, eDocNet – Enterprise Content and Document Management Solution and eQuire – Office Automation and eProcurement Management Solution which help our clients in strategising their business objectives.

As an offshore outsourcing company, we have various offshore development centres in India. Currently, we have 3 offices in India, including our registered office, a SEZ office in Mumbai and a development office in Pune.

To support our operations and carry out businesses in different location within India and abroad, we have 2 subsidiaries namely Octaware Information Technologies Pvt. Ltd. ("OIT") having its Registered Office in Mumbai, India and Octaware Gulf FZE registered in the Ras Al Khaimah Free Trade Zone, UAE. Our operations for USA are supported by Octaware Technologies LLC which registered in Kent, Washington, USA. Our Promoters / Directors currently own approximately 66% of the shares in the said Company. We are in the process of acquiring this stake in OT-USA, thus making it our subsidiary, and the relevant RBI and other approvals are awaited. However, The Octaware group structure is as shown below:

OCTAWARE TECHNOLOGIES LIMITED		
Octaware Information Technologies Pvt. Ltd. (99% Subsidiary)	Octaware Gulf FZE (100% Subsidiary)	Marketing Offices / Business Partners

We further operate through our various business partners having marketing offices in Qatar, Singapore, Saudi Arabia, Nigeria and Zimbabwe. For further details of our marketing set-up and our business partners, please refer the section "*Sales and Marketing Set-up*" in this chapter on page 104 of this Draft Prospectus.

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Having worked with technology companies like TCS, Microsoft, Citibank and AskMe Inc., Mr. Aslam Khan started Octaware in 2005 pooling all his experience. He was aided by Mr. Sajid Hameed who has rich experience in setting up business, developing markets, managing customers and handling overall businesses. In the year 2006, our Company acquired 2 large customers in US and the growth continued with our establishing partner relationships in Qatar in 2007, allowing us to offer specialised solution for the Middle East market. Later in 2008, our Company introduced solutions for various industries like healthcare, professional services and real-estate industry by investing in in-house product development.

OUR STRENGTHS

Experienced Promoters and Management Expertise

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Mr. Aslam Khan has pooled all his experience of working with big technology companies like TCS, Microsoft, Citibank and AskMe Inc. and started Octaware in 2005. He was aided by Mr. Sajid Hameed who has vast experience in setting up business, developing markets, managing customers and handling overall businesses. Further, our board of directors are supported by a team of well experienced and qualified personnel. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled *"Our Management"* beginning on page 119 of this Draft Prospectus. We believe that our management team's experience and their understanding of the IT industry, specifically in the hospitality, finance, manufacturing, education and construction industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

Long Business Experience and Established Network

Our Company has been developing products and providing services since a decade. We have long-standing relationships with customers built on our successful execution of prior engagements. Our track record of delivering robust solutions, extensive product development experience, and demonstrated industry and technology expertise has helped us in forging strong relationships with all our major customers and gaining increased business from them. Our products offering of Hospice, iOnAsset and PowerERM are very attractive to entrepreneurs and business managers for their internal projects as well as procurement teams.

Our Company believes in the policy that high customer retention should be one of its top priorities and we endeavour to derive a significant proportion of our revenue from repeat business. In Fiscal 2015, our customers included healthcare providers, construction companies, manufacturing companies, telecommunication companies and educational institutions.

To further strengthen our relationships and broaden the scope and range of services we provide to existing customers, our senior corporate executives have specific account management and relationship responsibilities. We have established strong relationships with key members of our customers' management teams. These relationships have helped us to understand better our customers' business needs and to enable us to provide effective solutions to meet these needs.

Wide range of services and products offering

We provide a broad range of services to our customers that support their software products and businesses throughout the full business life-cycle. At each stage of the business life-cycle, we offer services designed to address the customers' specific needs as businesses move from different stages of maturity. These offerings are suitable for companies of all sizes. Our services range from software development including database management, Microsoft integration and QA services, ERP and CRM implementation and Consulting Services including business analytics & transformation, information advisory, infrastructure consulting and program management. Further, we also offer various services for improvement productivity of the existing products or businesses like Mobile Solutions, RFID Solution, Cloud Services, etc. that give new and existing customers a competitive advantage. These projects are innovative with fast changing requirements and comparatively smaller in size. Our services focus, our ability to manage smaller projects, our ability to service customers globally and our offshore delivery model makes our services offering very attractive.

In addition, we have our own product offerings that allow our customers to leverage productivity in various sections of industry like Healthcare and Manufacturing. Out of our product offering of Hospice, PowerERM and iOnAsset, the Former two products have an almost universal acceptance in any business sector. This increases our scope of customers and our ability to cater to a diversified cliental base.

International Presence

Our Company has its Registered Office and a development office in Mumbai, India and a development office in Pune, India. We also have presence in UAE through our subsidiary company and in USA, through our Group Company. Besides, the above we have operations through our overseas group companies and overseas business partners giving us presence in various countries like Qatar, Saudi Arabia, Singapore, Nigeria and Zimbabwe. These locations give us an international presence aiding us in servicing clients in various parts of the globe. As an IT products & service company, our international presence not only helps us in expanding our client base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide.

Our Company started its international foray with 2 major clients in USA in the year 2006 and we intend to gradually establish a base there by acquiring a substantial stake in one of our Group Companies, Octaware Technologies LLC, as our subsidiary. Also, our Company has a large number of clients in the Middle East and our Company is in the process of targeting various clients in Eastern Europe. We believe that we enjoy the confidence of our international customers because of our ability to extend offshore servicing, thereby assuring the customers of timely delivery and quality.

Microsoft as our Solution Partner

Microsoft is the market leader in computer software, operating systems and office based applications. We are currently a Gold Partner of Microsoft which is the highest technical partnerships offered by Microsoft. This partnership allows us to use all Microsoft applications as the base platform for our products and solutions that we provide to our clients. The main advantage of being a gold partner is that we are offered live on-site and off-site support for any technical issue that may arise in course of our operations. With the support and stability of the Microsoft platforms, we can guarantee our client a stable product, universal compatibility and easy online and offline support.

We have signed an Independent Software Vendor Royalty License and Distribution Agreement (ISVRL & DA) and also a Business and Services Agreement with Microsoft. Our Group Company, Octaware Technologies LLC, is an approved supplier in the Microsoft Preferred Supplier Program (MPSP), and has been prequalified by Microsoft's Global Procurement Group (GPG) based on our best-in-class competencies, operational excellence, industry experience and thought leadership practices.

Certifications, Awards and Accreditations

Our Company has obtained various certifications, awards and accreditations and the same have been enumerated in this chapter. These certifications provide assurances to our domestic as well as overseas customers for the quality, and timeliness of our services and products. Various international companies, government organisations and healthcare centres have strict norms for engagement of IT services and products and only companies with specific certifications are empanelled by these organisations. The CMMI Level 3 and ISO certifications, coupled with various awards by World CSR Congress, Deloitte, Stevie Awards, Red Herring and iCMG Enterprise, aid us in procuring various high profile clients across the world.

Scalable Business Model

Our business model is order driven, and comprises of optimum utilization of our existing resources, developing linkages with expertise of our development team and achieving consequent customer satisfaction. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale by venturing into different sectors where technologically advanced management is required and also by providing better products and solutions in the sectors that we already have presence in. The business scale generation is basically due to the development of new markets both international and domestic, innovation in the product range and by maintaining the consistent quality of the products and services.

OUR STRATEGIES

Expand our Current Business Relationships

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of services provided to our existing customers by continuing to build our expertise in major industries and extending our capabilities into new and emerging technologies. In addition, we intend to continue to develop better solutions and new products for industry sectors which are significantly untapped. We will also seek to support a greater portion of the full product development life-cycle of our customers by offering targeted services for each phase of the software product life cycle. We also plan to assist our customers as they deploy their products to end-users through consulting and professional services that we offer onsite. In addition, we intend to continue to build relationships with various regional companies as business partners which can provide us with better benefit by introducing local clients.

Growing our business through intellectual property capabilities

We regularly invest in the creation of new intellectual property. We will continue to focus on the main areas of innovation like process innovation and domain specific innovation. Our efforts have resulted in the development of value-added products and services including PowerERM, iOnAsset, ERP and CRM Implementation, Mobile and RFID Solutions and other technology-based components. We will continue to invest in intellectual property either to build and offer systems that establish our credibility and technical expertise in new areas or to better develop, perfect and implement our existing offerings. We also will continue to monetise our investment in intellectual property by charging a premium for our services or by licensing our proprietary software solutions to our customers. We will seek further growth by leveraging our software development capabilities through designing, developing and marketing proprietary niche software solutions in various international markets.

Expanding office space and base in Mumbai

We currently have 3 offices in Mumbai, including our registered office, a SEZ office in MIDC SEEPZ, and a development office. With our growing business plans, we propose to acquire another office in the MIDC SEEPZ which is a SEZ. This new unit will provide us with additional operational convenience and also provide additional tax benefits as the proposed unit is in MIDC. For further details of the property proposed to be acquired, please refer the chapter "*Objects of the Issue*" on page 56 of this Draft Prospectus.

Partnering with global IT players for geographical growth

We will continue to build and leverage relationships across the globe with various IT companies and thus expand our global footprint. The regional companies have in-depth knowledge of the local business requirement and the product life-cycle expectancy and thus we can enter in that market with minimum or no entry barrier. This knowledge of both products and the entire product development culture helps us evolve a deep-rooted product development culture that is aligned with our customers, employees and processes. We regularly engage in discussions and network with our partners to bring each other opportunities and to assist each other to grow our businesses and enrich our respective understandings of the IT products & services industry and technical knowledge. We also intend to continue to facilitate relationships among our customers for the mutual benefit of all parties.

With our decade long history of providing products and solutions globally, we believe that there is great potential for business development in the Europe, Middle East and Asia (EMEA) region. Since we already have presence and established business partnerships in various locations in the Middle East and Asia, we intend to tap new markets in the same region. We have recently approached various potential clients and partner companies in Kirgizstan and intend to set-up our presence in the country. This strategy of tapping green markets required additional funds for business development, marketing and professional fees, which we intend to raise from this proposed public issue.

Focus on efficiency

Our goal is to help our customers with our products and solutions, in turn enabling them to deliver their products more efficiently. We have been building products and solution and providing services to some of the world's leading companies for more than a decade. We have innovated and customised software processes that allow us to monitor and plan the progress of software projects. We have well-trained teams, pre-built frameworks and partnerships with other product companies that allow us to integrate product components and deliver products for our customers efficiently. This helps in reducing time to market and reducing the risk of engineering failures. Our offshore delivery model helps in reducing the overall cost of product development.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Peer Review Auditor's Report of M/s. R. T. Jain & Co., Chartered Accountants dated December 18, 2015 in the section titled "Financial Statements" beginning on page 140 of this Draft Prospectus. The summary financial information presented below should be read in conjunction with our standalone and consolidated restated financial statements for the year ended March 31, 2011, 2012, 2013, 2014, 2015 and period ended June 30, 2015 including the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 177 of this Draft Prospectus.

SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
a. Share Capital	304.50	304.50	203.00
b. Reserves & Surplus	278.52	247.48	234.12
Non Current Liabilities			
a. Long Term Borrowings	-	-	-
b. Deferred Tax Liabilities	-	-	-
c. Long Term Provisions	1.67	1.67	1.67
Current Liabilities			
a. Short Term Borrowings	-	-	-
b. Trade Payables	16.49	6.38	10.18
c. Other Current Liabilities	19.08	12.86	12.26
d. Short Term Provisions	2.50	1.00	-
T O T A L	**623.84**	**574.91**	**461.23**
ASSETS			
Non Current Assets			
a. Fixed Assets			
i. Tangible Assets	275.09	247.73	231.14
ii. Intangible Assets	41.67	10.20	10.20
Less: Accumulated Depreciation	(78.93)	(77.48)	(71.46)
iii. Intangible Assets under development	21.34	-	-
Net Block	237.83	180.45	169.88
b. Deferred Tax Assets (Net)	1.83	1.96	1.30
c. Non-current Investments	-	-	-
d. Long Term Loans & Advances	27.58	22.39	18.28
e. Other Non Current Assets	3.23	3.23	2.47
Current Assets			
a. Current Investment	-	5.49	0.06
a. Trade Receivables	281.34	315.00	210.77
b. Cash and Cash Equivalents	55.39	32.91	44.67
c. Short Term Loans & Advances	16.24	13.07	13.79
d. Other Current Assets	0.41	0.41	-
T O T A L	**623.84**	**574.91**	**461.23**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
INCOME			
Revenue from Operations	135.89	548.84	406.66
Other Income	7.67	2.81	3.17
Total Income (A)	**143.56**	**551.65**	**409.83**
EXPENDITURE			
Employee benefit expenses	39.99	130.19	81.40
Finance costs	-	-	-
Depreciation and amortization expense	1.45	6.02	5.04
Other Expenses	62.59	283.31	171.60
Total Expenses (B)	**104.03**	**419.52**	**258.04**
Profit before extraordinary items and tax	**39.53**	**132.13**	**151.80**
Prior period items (Net)	-	-	-
Profit before exceptional, extraordinary items and tax (A-B)	**39.53**	**132.13**	**151.80**
Exceptional items	-	-	-
Profit before extraordinary items and tax	**39.53**	**132.13**	**151.80**
Extraordinary items	-	-	-
Profit before tax	**39.53**	**132.13**	**151.80**
Tax expense :	-	-	-
(i) Current tax	1.50	18.00	18.00
(ii) Deferred tax	0.13	(0.66)	(0.11)
Total Tax Expense	**1.63**	**17.34**	**17.89**
Profit for the year (D-E)	**37.89**	**114.79**	**133.90**
Minority Interest	0.06	-	-
Profit after Tax & Minority Interest	**37.84**	**114.79**	**133.90**

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash flow from operating activities:			
Net Profit before tax as per Profit And Loss A/c	39.53	132.13	151.80
Adjusted for:			
Depreciation & Amortization	1.45	6.39	5.31
Interest Income	(0.43)	(1.14)	(1.14)
Foreign Exchange Loss/(Gain)	2.40	2.90	2.90
Operating Profit Before Working Capital Changes	42.04	140.48	158.87
Adjusted for (Increase)/ Decrease:			
Trade Receivables	32.54	(106.62)	(15.21)
Loans and advances and other assets	(7.40)	(13.32)	(2.82)
Trade Payables	10.11	(3.80)	(1.58)
Liabilities & Provisions	6.23	0.59	(2.21)
Cash Generated From Operations	83.52	17.34	137.06
Direct Tax Paid	(7.75)	(20.29)	(7.76)
Net Cash Flow from/(used in) Operating Activities: (A)	**75.77**	**(2.95)**	**129.30**
Cash Flow From Investing Activities:			
Purchase of Fixed Assets	(58.83)	(3.82)	(158.86)
Interest Income	0.06	0.43	1.14
(Purchase)/Sale of Investments	5.49	(5.43)	5.10
Net Cash Flow from/(used in) Investing Activities: (B)	**(53.29)**	**(8.82)**	**(152.62)**
Cash Flow from Financing Activities:			
Proceeds From Share Capital & Share Premium	-	-	20.00
Net Cash Flow from/(used in) Financing Activities (C)	-	-	**20.00**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**22.48**	**(11.76)**	**(3.32)**
Cash & Cash Equivalents As At Beginning of the Year	**32.91**	**44.67**	**47.99**
Cash & Cash Equivalents As At End of the Year	**55.39**	**32.91**	**44.67**

SUMMARY OF STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
EQUITY AND LIABILITIES						
Shareholders' Funds						
a. Share Capital	304.50	304.50	203.00	2.00	1.00	1.00
b. Reserves & Surplus	148.89	149.21	175.08	281.21	246.62	227.89
Non Current Liabilities						
a. Long Term Borrowings	-	-	-	-	-	-
b. Deferred Tax Liabilities	-	-	-	-	-	-
c. Other Long Term Liabilities	-	-	-	-	-	-
d. Long Term Provisions	1.67	1.67	1.67	1.67	1.67	2.14
Current Liabilities						
a. Short Term Borrowings	-	-	-	-	-	-
b. Trade Payables	4.92	4.23	10.18	11.76	16.07	7.15
c. Other Current Liabilities	11.50	9.22	12.05	14.47	12.16	11.55
d. Short Term Provisions	-	-	-	-	-	-
T O T A L	**471.48**	**468.83**	**401.98**	**311.11**	**277.53**	**249.75**
ASSETS						
Non Current Assets						
a. Fixed Assets						
i. Tangible Assets	94.05	76.57	231.14	72.27	71.74	65.29
ii. Intangible Assets	10.20	10.20	10.20	10.20	4.64	4.64
Less: Accumulated Depreciation	(78.61)	(77.48)	(71.46)	(66.42)	(56.78)	(43.50)
iii. Intangible Assets under development	18.92	-	-	-	-	-
iv. Capital Work in Progress	-	-	-	-	-	3.47
Net Block	44.56	9.29	169.88	16.05	19.60	29.90
b. Deferred Tax Assets (Net)	1.83	1.96	1.30	1.20	0.92	2.76
c. Non-current Investments	174.40	174.40	16.02	-	-	-
d. Long Term Loans & Advances	26.38	21.27	17.95	39.12	43.60	47.14
e. Other Non Current Assets	3.05	3.05	2.47	-	-	-
Current Assets						
a. Current Investment	-	5.49	0.06	5.16	0.06	0.04
a. Trade Receivables	192.19	224.27	165.70	198.47	160.15	99.19
b. Cash and Cash Equivalents	15.34	15.02	14.81	47.99	51.72	68.69
c. Short Term Loans & Advances	13.72	14.07	13.79	3.13	1.48	2.02
d. Other Current Assets	-	-	-	-	-	-
T O T A L	**471.48**	**468.83**	**401.98**	**311.11**	**277.53**	**249.75**

SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
INCOME						
Revenue from Operations	44.67	328.18	306.88	299.16	290.09	369.91
Other Income	0.06	0.57	1.14	0.52	2.38	-
Total Income (A)	**44.73**	**328.75**	**308.01**	**299.68**	**292.47**	**369.91**
EXPENDITURE						
Employee benefit expenses	22.23	97.26	79.65	80.91	119.52	92.51
Finance costs	-	-	-	-	-	0.08
Depreciation and amortisation expense	1.13	6.39	5.31	9.64	13.29	13.34
Other Expenses	21.56	132.13	130.30	163.99	128.37	124.28
Total Expenses (B)	**44.92**	**235.77**	**215.26**	**254.54**	**261.18**	**230.22**
Profit before extraordinary items and tax (A-B)	**(0.19)**	**92.98**	**92.76**	**45.14**	**31.29**	**139.70**
Extraordinary items	-	-	-	-	-	-
Profit before tax	**(0.19)**	**92.98**	**92.76**	**45.14**	**31.29**	**139.70**
Tax expense :						
(i) Current tax	-	18.00	18.00	10.84	10.72	28.07
(ii) Deferred tax	0.13	(0.66)	(0.11)	(0.28)	1.85	(2.76)
(iii) MAT Credit - Current Year	-	-	-	-	-	(25.15)
Total Tax Expense	**0.13**	**17.34**	**17.89**	**10.56**	**12.57**	**0.17**
Profit for the year (D-E)	**(0.32)**	**75.63**	**74.87**	**34.59**	**18.73**	**139.53**

SUMMARY OF STANDALONE CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Cash flow from operating activities:						
Net Profit / (Loss) before tax as per Statement of Profit And Loss	(0.19)	92.98	92.76	45.14	31.29	139.70
Adjusted for:						
Depreciation & Amortisation	1.13	6.39	5.31	9.64	13.29	13.34
Interest & Finance Cost	-	-	-	-	-	0.08
Provision for Bad & Doubtful Debts	-	-	-	-	-	5.92
Interest Income	(0.06)	(0.43)	(1.14)	(0.52)	(0.02)	-
Foreign Exchange Loss/(Gain)	1.12	2.40	2.90	3.40	(2.36)	2.75
Operating Profit Before Working Capital Changes	**2.01**	**101.33**	**99.83**	**57.66**	**42.19**	**161.79**
Adjusted for (Increase)/ Decrease:						
Trade Receivables	30.96	(60.97)	29.87	(41.72)	(58.59)	(81.59)
Loans and advances and other assets	2.98	(2.26)	(2.49)	2.48	1.05	2.27
Trade Payables	0.69	(5.95)	(1.58)	(4.32)	8.92	(7.82)
Liabilities & Provisions	2.29	(2.83)	(2.42)	(2.31)	0.13	7.67
Cash Generated From Operations	38.93	29.31	123.21	16.43	(6.29)	82.31
Direct Tax Paid	(7.75)	(20.29)	(7.76)	(10.48)	(7.70)	(26.36)
Net Cash Flow from/(used in) Operating Activities: (A)	**31.18**	**9.03**	**115.46**	**5.94**	**(13.99)**	**55.93**
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(36.40)	(3.82)	(158.86)	(6.09)	(2.98)	(22.35)
Sale of Fixed Assets	-	-	-	-	-	-
Interest Income	0.06	0.43	1.14	0.52	0.02	-
(Purchase)/Sale of Investments	5.49	(5.43)	(10.92)	(5.10)	(0.02)	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(30.85)**	**(8.82)**	**(168.64)**	**(10.67)**	**(2.98)**	**(22.35)**
Cash Flow from Financing Activities:						
Proceeds From Share Capital & Share Premium	-	-	20.00	1.00	-	-
Interest & Financial Charges	-	-	-	-	-	(0.08)
Net Cash Flow from/(used in) Financing Activities (C)	**-**	**-**	**20.00**	**1.00**	**-**	**(0.08)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**0.32**	**0.21**	**(33.18)**	**(3.73)**	**(16.97)**	**33.50**
Cash & Cash Equivalents As At Beginning of the Year	**15.02**	**14.81**	**47.99**	**51.72**	**68.69**	**35.19**
Cash & Cash Equivalents As At End of the Year	**15.34**	**15.02**	**14.81**	**47.99**	**51.72**	**68.69**

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares Issued: Present Issue of Equity Shares by our Company	11,11,200 Equity Shares of ₹ 10 each for cash at a price of ₹ 100 per share aggregating ₹ 1,111.20 lakhs
Of which:	
Issue Reserved for the Market Makers	57,600 Equity Shares of ₹ 10 each for cash at a price of ₹ 100 per share aggregating ₹ 57.60 lakhs
Net Issue to the Public	10,53,600 Equity Shares of ₹ 10 each for cash at a price of ₹ 100 per share aggregating ₹ 1,053.60 lakhs

Equity Shares outstanding prior to the Issue	30,75,000 Equity Shares
Equity Shares outstanding after the Issue	41,86,200 Equity Shares
Objects of the Issue	Please see the chapter titled "*Objects of the Issue*" beginning on page 56 of this Draft Prospectus

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled "*Issue Related Information*" beginning on page 210 of this Draft Prospectus.

The present issue has been authorised by our Board vide resolution passed at its meeting held on October 05, 2015 and by our Shareholders vide a special resolution passed pursuant to section 62 (1) (C) of the Companies Act, 2013 at the EGM held on November 09, 2015.

GENERAL INFORMATION

Our Company was incorporated as Octaware Technologies Pvt. Ltd. on May 26, 2005 under the Companies Act, 1956, with the Registrar of Companies, Mumbai, Maharashtra, bearing Registration Number 153539 and CIN U72200MH2005PTC153539. The status of our Company was changed to public limited company and the name of our Company was changed to Octaware Technologies Ltd. by a special resolution passed on June 15, 2015. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 17, 2015, by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U72200MH2005PLC153539.

For further details, please see chapter titled "*History and Certain Corporate Affairs*" beginning on page 114 of this Draft Prospectus.

Brief Company and Issue Information

Registered Office	**Address**: 204 Timmy Arcade, Makwana Road Marol, Andheri (East) Mumbai- 400 072. **Tel No.:** +91-22 4023 1431 **Tele-Fax No.:** +91-22 2829 3959 **Email:** investor@octaware.com **Website:** www.octaware.com
Date of Incorporation	May 26, 2005
Company Registration No.	153539
Company Identification No.	U72200MH2005PLC153539
Address of Registrar of Companies	Everest, 100, Marine Drive, Mumbai- 400002.
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	**Name**:- Mr. Muzammil Memon **Address:-**204 Timmy Arcade, Makwana Road Marol, Andheri (East) Mumbai- 400 072. **Tel No.:** +91-22-4023 1431 **Tele-Fax No.:** +91-22 2829 3959 **Email:** investor@octaware.com

Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	Director's Identification No.
Mr. Aslam Khan	Chairman & Managing Director	00016438
Mr. Sajid Hameed	Whole-Time Director	02507021
Mr. Siraj Gunwan	Whole-Time Director	02544461
Dr. Shariq Nisar	Non Executive Independent Director	01776627
Dr. Sarika H. Lidoria	Non Executive Independent Director	07332632
Mr. Krishnan Narayanan	Non Executive Independent Director	07342596

For further details pertaining to the educational qualification and experience of our Directors, please see the chapter titled "*Our Management*" beginning on page 119 of this Draft Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Details of Key Intermediaries pertaining to this Issue and Our Company

LEAD MANAGER

Aryaman Financial Services Limited
60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mr. Shreyas Shah / Mr. Pranav Nagar
SEBI Registration No.: INM000011344

REGISTRAR TO THE ISSUE

Cameo Corporate Services Limited
'Subramanian Building',
No. 1 Club House Road,
Chennai – 600 002.
Tel.: +91 – 44 – 2846 0390
Fax: +91 – 44 – 2846 0129
E-mail: investor@cameoindia.com
Website: www.cameoindia.com
Contact Person: Mr. R. D. Ramasamy
SEBI Regn. No.: INR 000003753

LEGAL COUNSEL TO THE ISSUE

M/s Kanga & Company (Advocates & Solicitors)
Readymoney Mansion,
43, Veer Nariman Road,
Mumbai- 400 001
Tel No.: +91 – 22 – 66230000, +91 – 22 –66332288
Fax No.: +91 – 22 – 66339656 / 57
Contact Person: Mr. Chetan Thakkar
Email: chetan.thakkar@kangacompany.com
Website: www.kangacompany.com

STATUTORY AUDITOR

M/s. Ashok K. Surana & Associates, Chartered Accountant
303, 3rd Floor, Kalyan Bhavan,
Telli Park Lane, Andheri East,
Mumbai – 400 069
Telefax No.: +91 – 22 – 26843160
Email: ashok_surana@hotmail.com
Contact Person: Mr. Ashok K. Surana

PEER REVIEW AUDITOR

M/s. R.T. Jain & Co., Chartered Accountants
Lotus Bldg., 2nd Floor,
59, Mohamedali Road, Mumbai- 400 003.
Tel No.: +91 – 22 – 2346 5218/ 2346 4955.
Fax No.: +91 – 22 – 2346 2531/ 2346 4955
Email: brjain@rtjainandco.com
Contact Person: Mr. Bankim Jain

BANKERS TO OUR COMPANY

[●] [●]

BANKERS TO THE ISSUE

[●]

REFUND BANKER

[●]

BROKERS TO THIS ISSUE

All the members of the recognised stock exchanges would be eligible to act as brokers to the Issue in consultation with the Lead Manager.

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer the above mentioned SEBI website.

EXPERT OPINION

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

Our Company has received written consent from the Peer Review Auditor namely, M/s. R.T. Jain & Co., Chartered Accountants to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated December 18, 2015 and the Statement of Tax Benefits dated December 18, 2015, issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

CREDIT RATING

As this Issue of the Equity Shares, there is no credit rating for this Issue.

TRUSTEES

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50,000 lakhs. Since the Issue size is below ₹ 50,000 lakhs, our Company has not appointed a monitoring agency for this issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited is the Sole Lead Manager to this Issue, and hence is responsible for all the issue management related activities.

DETAILS OF THE APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

UNDERWRITING

This Issue is 100% Underwritten. The Underwriting agreement is dated December 20, 2015. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	10,53,600	1,053.60	94.82%
Aryaman Capital Markets Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: aryacapm@gmail.com	57,600	57.60	5.18%
Total	**11,11,200**	**1,111.20**	**100.00%**

As per Regulation 106 (P) (2) of SEBI (ICDR) Regulations, 2009, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated December 20, 2015 with Aryaman Capital Markets Ltd., a Market Maker registered with the SME Platform of BSE in order to fulfill the obligations of Market Making.

MARKET MAKER

ARYAMAN CAPITAL MARKETS LIMITED

ARYAMAN CAPITAL MARKETS LIMITED
60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8635
Fax No.: +91 – 22 – 2263 0434
Email: aryacapm@gmail.com
Contact Person: Mr. Harshad Dhanawade
SEBI Registration No.: INB011465938
Market Maker Reg. No.: SMEMM0651421122012

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

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

1. The Market Maker 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 shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.

4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

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

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

8. 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 or 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 a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

   In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers 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 five or as specified by the relevant laws and regulations applicable at that particulars 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. **Risk containment measures and monitoring for Market Maker**: BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

11. **Punitive Action in case of default by Market Maker**: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker 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. **Price Band and Spreads**: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25000 lakhs, the applicable price bands for the first day shall be:

a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The share capital of the Company as on the date of this Draft Prospectus is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	**Authorised Share Capital**		
	42,00,000 Equity Shares of face value of ₹ 10 each	420.00	-
B	**Issued, Subscribed and Paid-up Share Capital before the Issue**		
	30,75,000 Equity Shares of face value of ₹ 10 each	307.50	-
C	**Present Issue in terms of this Draft Prospectus**[(1)]		
	11,11,200 Equity Shares of ₹ 10 each at a price of ₹ 100 per share	111.12	1,111.20
	Which comprises:		
	57,600 Equity Shares of ₹ 10 each at a price of ₹ 100 per Equity Share reserved as Market Maker Portion	5.76	57.60
	Net Issue to Public of 10,53,600 Equity Shares of ₹ 10 each at a price of ₹ 100 per Equity Share to the Public	105.36	1,053.60
	Of which:		
	52,68,000 Equity Shares of ₹ 10 each at a price of ₹ 100 per Equity Share will be available for allocation for Investors of up to M 2.00 lakhs	52.68	526.80
	52,68,000 Equity Shares of ₹ 10 each at a price of ₹ 100 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	52.68	526.80
D	**Equity Share Capital after the Issue**		
	41,86,200 Equity Shares of ₹ 10 each	418.62	
E	**Securities Premium Account**		
	Before the Issue (as on date of this Draft Prospectus)	48.70	
	After the Issue	1,048.78	

[(1)]The present Issue has been authorized pursuant to a resolution of our Board dated October 05, 2015 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on November 09, 2015.

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

Changes in Authorized Share Capital

Date of Change/Meeting	Existing Capital		Additional Capital		Total Capital		Remarks
	No. of Shares	M / Share	No. of Shares	M / Share	No. of Shares	M / Share	
On Incorporation	-	-	20,000	10	20,000	10	Incorporation
April 15, 2013	20,000	10	24,80,000	10	25,00,000	10	Increase
April 17, 2013	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each				2,50,00,000	1	Sub- Division
July 21, 2014	2,50,00,000	1	1,00,00,000	1	3,50,00,000	1	Increase
May 28, 2015	3,50,00,000	1	70,00,000	1	4,20,00,000	1	Increase
July 27, 2015	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each				42,00,000	1	Consolidation

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company:

a) *Equity Share Capital*

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (M)	Issue Price (M)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (M)	Cumulative Share Premium (M)
On Incorporation	10,000	10	10	Subscription to MoA	Cash	10,000	1,00,000	-
December 29, 2012	10,000	10	10	Further Allotment	Cash	20,000	2,00,000	-
April 17, 2013[1]	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each					2,00,000	2,00,000	-
September 16, 2013[2]	2,00,00,000	1	NA	Further Allotment	Bonus Issue	2,02,00,000	2,02,00,000	-
November 11, 2013	1,00,000	1	20	Further Allotment	Cash	2,03,00,000	2,03,00,000	19,00,000
September 05, 2014[3]	1,01,50,000	1	NA	Further Allotment	Bonus Issue	3,04,50,000	3,04,50,000	19,00,000
July 27, 2015[4]	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					30,45,000	3,04,50,000	19,00,000
September 30, 2015	30,000	10	100	Further Allotment	Cash	30,75,000	3,07,50,000	48,70,000

(1) *Pursuant to EGM held on April 17, 2013 Our Company has split the Equity Shares of face value ₹ 10/- each to Equity Shares of face value ₹ 1/- each.*

(2) *Pursuant to EGM held on September 16, 2013, our Company has issued 2,00,00,000 Bonus Shares in the ratio of 100:1 i.e. 100 equity shares for every 1 equity share held to the shareholders, by way of capitalization of profit & loss account.*

(3) *Pursuant to EGM held on September 05, 2014, our Company has issued 1,01,50,000 Bonus Shares in the ratio of 1:2 i.e. 1 equity shares for every 2 equity share held to the shareholders, by way of capitalization of profit & loss account.*

(4) *Pursuant to EGM held on July 27, 2015 Our Company has Consolidation the Equity Shares of face value ₹ 1/- each to Equity Shares of face value ₹ 10/- each.*

b) *Shares allotted for consideration other than cash*

The following shares were allotted for consideration other than cash:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (M)	Issue Price (M)	Reason	Promoter / Promoter Group
September 16, 2013	Aslam Khan	70,00,000	1	-	Bonus Allotment in the ratio 100:1	Yes
	Sajid Hameed	50,00,000	1	-		Yes
	Siraj Gunwan	32,00,000	1	-		No
	Haroon Baig	24,00,000	1	-		No
	Shaikh Shahnawaz	24,00,000	1	-		No
September 05 2014	Aslam Khan	35,35,000	1	-	Bonus Allotment in the ratio 1:2	Yes
	Sajid Hameed	25,25,000	1	-		Yes
	Siraj Gunwan	16,16,000	1	-		No
	Haroon Baig	12,12,000	1	-		No
	Shaikh Shahnawaz	12,12,000	1	-		No

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (M)	Issue Price (M)	Reason	Promoter / Promoter Group
	Sultan Abdul khader	50,000	1	-		No

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Prospectus

f) Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Mr. Aslam Khan								
December 15, 2011	Transferred from Original Promoters	Cash	5,000	10	10	5,000	0.16%	0.11%
December 29, 2012	Further Allotment	Cash	2,000	10	10	7,000	0.23%	0.17%
April 17, 2013	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each					70,000	0.23%	
September 16, 2013	Bonus Allotment	Other than Cash	70,00,000	1	Nil	70,70,000	22.99%	
September 05, 2014	Bonus Allotment	Other than Cash	35,35,000	1	Nil	1,06,05,000	34.49	
October 6, 2014	Transfer	Cash	25,85,765	1	1.25	1,31,90,765	42.90%	
July 25, 2015	Consolidation of Equity Shares Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					13,19,077	42.90%	31.51%
Mr. Sajid Hameed								
December 15, 2011	Transferred from Original Promoters	Cash	5000	10	10	5000	0.16%	0.11%
April 17, 2013	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each					50,000	0.16%	
September 16, 2013	Bonus Allotment	Other than Cash	50,00,000	1	Nil	50,50,000	16.42%	
September 05, 2014	Bonus Allotment	Other than Cash	25,25,000	1	Nil	75,75,000	24.63	
October 06, 2015	Transfer	Cash	2,71,809	1	1.25	78,46,809	25.52%	
July 25, 2015	Consolidation of Equity Shares Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					7,84,681	25.52%	18.74%

Notes:

- *None of the shares belonging to our Promoters have been pledged till date.*
- *The entire Promoters' shares shall be subject to lock-in from the date of listing of the equity shares (issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page 48 of this Draft Prospectus.*

g) None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus.

h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

2. Promoters' Contribution and other Lock-In details:

a) Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' 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.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares locked in	As a % of Post Issue Share Capital
Mr. Aslam Khan	5,35,200	12.78%
Mr. Sajid Hameed	3,10,800	7.42%
Total	**8,46,200**	**20.21%**

For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please see Note 1(f) under "Notes to Capital Structure" on page 48 of this Draft Prospectus.

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.

- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.

- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

The minimum Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) ***Details of Shares locked-in for one year***

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.

- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.

- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoters' Group

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed issue:

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
1. Promoters				
Mr. Aslam Khan	13,19,077	42.90%	13,19,077	31.51%
Mr. Sajid Hameed	7,84,681	25.52%	7,84,681	18.74%
2. Promoters Group (as defined by SEBI (ICDR) Regulations)	-	-	-	-
3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Draft Prospectus under the heading "Shareholding of the Promoter Group".	-	-	-	-
Total Promoter & Promoter Group Holding	**21,03,758**	**68.41%**	**21,03,758**	**50.25%**
Total Paid up Capital	**30,75,000**	**100.00%**	**41,86,200**	**100.00%**

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

a. The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Aslam Khan	13,19,077	42.90%
2	Sajid Hameed	7,84,681	25.52%
3	Siraj Gunwan	3,33,018	10.83%
4	Shaikh Shahnawaz	2,54,573	8. 28%
5	Haroon Baig	1,79,451	5.72 %
6	Sultan Abdur Kader	51,300	1.67%
7	Ahmed Al Akeel	39,200	1.27%
8	Faisal Ghadiyali	30,000	0.98%
9	Merajuddin Shaikh	15,300	0.50%
10	Shyam Johri	15,300	0.50%
10	S. S. Alam	15,300	0.50%
10	Udayan Maroo	15,300	0.50%
	Total	**30,49,000**	**99.15%**

b. The top ten Shareholders of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Aslam Khan	13,19,077	42.90%
2	Sajid Hameed	7,84,681	25.52%
3	Siraj Gunwan	3,33,018	10.83%
4	Shaikh Shahnawaz	2,54,573	8. 28%

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
5	Haroon Baig	1,79,451	5.72 %
6	Sultan Abdul Kader	51,300	1.67%
7	Ahmed Al Akeel	39,200	1.27%
8	Faisal Ghadiyali	30,000	0.98%
9	Merajuddin Shaikh	15,300	0.50%
10	Shyam Johri	15,300	0.50%
11	S. S. Alam	15,300	0.50%
12	Udayan Maroo	15,300	0.50%
	Total	**30,49,000**	**99.15%**

c. The top ten Shareholders of our Company two years prior to date of this Draft Prospectus are

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Aslam Khan	70,77,000	34.83%
2	Sajid Hameed	50,55,000	24.88%
3	Siraj Gunwan	32,35,200	15.92%
4	Haroon Baig	24,26,400	11.94%
5	Shaikh Shahnawaz	24,26,400	11.94%
6	Sultan Abdul Kader	1,00,000	0.49%
	Total	**2,03,20,000**	**100.00%**

5. Neither the Company, nor it's Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.

6. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page 119 of this Draft Prospectus.

7. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page 216 of this Draft Prospectus.

8. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

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

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

11. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.

12. As on date of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

13. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

14. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

15. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.

16. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

17. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.

18. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.

19. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24hours of such transaction.

20. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.

21. Our Company has Seventeen (17) shareholders, as on the date of this Draft Prospectus.

22. Our Company has not revalued its assets since incorporation.

23. Our Company has not made any public issue or rights issue since its incorporation.

24. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company in compliance with Clause 37 of the Listing Agreement as on the date of this Draft Prospectus:

Category code	Category of Shareholder	(Pre-Issue)			Number of shares held in dematerialized form	(Post-Issue)			Shares Pledged or otherwise Encumbered	
		No. of Share-holders	No. of Shares	As a %		No. of Share-holders	No. of Shares	As a %	No. of Shares	As a %
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals / Hindu Undivided Family	2	21,03,758	68.42	-	2	21,03,758	50.25	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Central Government / State Government(s)	-	-	-	-		-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-		-	-	-	-
(e)	Any Others(Specify)	-	-	-	-		-	-	-	-
	Sub Total(A)(1)	**2**	**21,03,758**	**68.42**	**-**	**2**	**21,03,758**	**50.25**	**-**	**-**
2	**Foreign**									
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other, Specify	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**2**	**21,03,758**	**68.42**	**-**	**2**	**21,03,758**	**50.25**	**-**	**-**

Category code	Category of Shareholder	(Pre-Issue) No. of Share-holders	(Pre-Issue) No. of Shares	(Pre-Issue) As a %	Number of shares held in dematerialized form	(Post-Issue) No. of Share-holders	(Post-Issue) No. of Shares	(Post-Issue) As a %	Shares Pledged or otherwise Encumbered No. of Shares	Shares Pledged or otherwise Encumbered As a %
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	-	-	-	-				-	-
(b)	Financial Institutions / Banks	-	-	-	-				-	-
(c)	Insurance Companies	-	-	-	-				-	-
(d)	Foreign Institutional Investors	-	-	-	-				-	-
	Sub-Total (B)(1)				-				**-**	**-**
2	**Non-institutions**									
(a)	Bodies Corporate	-	-	-	-				-	-
(b)	Individuals									
I	Individual shareholders holding nominal share capital upto ₹ 1 lakh	5	26,000	0.85	-	**[•]**	20,82,442	49.75	-	-
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	10	9,45,242	30.74	-				-	-
(c)	**Any Other (specify)**	-	-	-	-				-	-
	Market Maker	-	-	-						
(d)	Public Issue / IPO	-	-	-	-				-	-
	Sub-Total (B)(2)	**15**	**9,71,242**	**31.59**	-				-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)		**15**	**9,71,242**	**31.59**	-	**[•]**	**20,82,442**	**49.75**	-	-
TOTAL (A)+(B)		**17**	**30,75,000**	**100.00**	**-**	**[•]**	**41,86,200**	**100.00**	**-**	**-**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		**17**	**30,75,000**	**100.00**	**-**	**[•]**	**41,86,200**	**100.00**	**-**	**-**

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoters and Promoter Group"

Sr. No	Name of the Shareholder	Details of Shares held: No. of shares held	Details of Shares held: As a % of (A+B+C)	Encumbered Shares: No. of shares	Encumbered Shares: As a % of (A+B+C)	Details of Warrants / Convertible Securities: No. of Warrants / Convertible Securities	Details of Warrants / Convertible Securities: As a % of (A+B+C)	Total Shares: No. of shares	Total Shares: As a % of (A+B+C)
1.	Aslam Khan	13,19,077	42.90%	-	-	-	-	13,19,077	42.90%
2.	Sajid Hameed	7,84,681	25.52%	-	-	-	-	7,84,681	25.52%
	Total	**21,03,758**	**68.42%**	**-**	**-**	**-**	**-**	**21,03,758**	**68.42%**

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category " Public" and holding more than 1% of the total number of shares.

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Siraj Gunwan	3,33,018	10.83%
2	Shaikh Shahnawaz	2,54,573	8. 28%
3	Haroon Baig	1,79,451	5.72 %
4	Sultan Abdul Kader	51,300	1.67%
5	Ahmed Al Akeel	39,200	1.27%
Total		**8,54,043**	**27.77%**

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The objectives of the issue are primarily to raise capital for the following business and operational requirements of our Company:

- Investment in our subsidiary company – M/s. Octaware Information Technologies Pvt. Ltd.
- Investment in our subsidiary company – M/s. Octaware Technologies Gulf FZE
- General Corporate Purposes

Also, the listing of our Equity Shares on the SME Exchange, we believe, would provide liquidity to our shareholders, enhance our visibility and better our brand name.

Issue Proceeds & Net Proceeds

The details of the proceeds of the Issue are set forth in the table below:

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue	1,111.20
Less: Issue related Expenses	50.00
Net Proceeds from the Issue	**1,061.20**

Fund Requirements

The net proceeds of the issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹ in lakhs)
1	Investment in our subsidiary company – M/s. Octaware Information Technologies Pvt. Ltd.	685.00
2	Investment in our subsidiary company – M/s. Octaware Technologies Gulf FZE	330.00
3	General Corporate Purposes	46.20
TOTAL		**1,061.20**

Means of Finance

The entire fund requirements are to be financed from the IPO Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required and general corporate purposes.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our expansion plans and executing our business strategies, please see the section titled "*Risk Factors*" beginning on page 9 of the Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1. Investment in our subsidiary company – M/s. Octaware Information Technologies Pvt. Ltd. ("OIT")

We have an existing 99% subsidiary company – M/s. Octaware Information Technologies Pvt. Ltd. ("OIT") which has its office within the SEEPZ-SEZ in Mumbai and shall be the main export business company of the group. We propose to utilize ₹ 685.00 lakhs from the net proceeds of the issue to invest further capital into this company.

The investment is in the form of equity shares of OIT of face value of ₹ 10/- each. The dividends will be as per the dividend policy of OIT and there is no dividend assurance. Further, by making the above investment, our Company intends to benefit by overall growth of the consolidated financials due to growth of export business under OIT as it receives tax benefits under SEEPZ SEZ.

The business activities proposed to be carried out by OIT from these funds are as explained below:

Sr. No.	Particulars	Amount (₹ in lakhs)
1.1	Acquisition and setting up of product development and offshore servicing office within SEEPZ-SEZ, Mumbai	272.64
1.2	Product Development	330.00
1.3	Long Term Working Capital Requirements	79.32
1.4	General Corporate Purposes	3.04
TOTAL		**685.00**

1.1 Acquisition and setting up of product development and offshore servicing office within SEEPZ-SEZ, Mumbai

OIT currently operates from a 2,108.96 sq. ft. office at SEEPZ-SEZ, Mumbai. With great effort being put in offshore sales and opening up of newer markets abroad, it is our short to medium term strategy to increase our exports business through a combination of higher service staff as well as customized product development activities. OIT has recently won an Auction Tender, initiated by MIDC, whereby an office space of 1,567 sq. ft. (usable carpet area) is being proposed to be acquired. Further OIT shall be spending this new capital on setting up the necessary infrastructure required for the office, details of which are as explained below:

Sr. No.	Particulars	Amount (₹ in lakhs)	Remarks
a.	Office Acquisition from MIDC at Marol SEZ	175.00	As estimated based on tender documents
b.	Civil Works, Furniture and Fixture	42.91	As estimated based on quote received from M/s. Nulwala & Associates, Architect and Consultant
c.	Computers, other hardware, software and other relevant infrastructure capital expenditures	54.73	As estimated based on quote received from M/s. Nulwala & Associates, Architect and Consultant
TOTAL		**272.64**	

1.2 Product Development

Since incorporation, we have primarily been a services company, however, over time we intend to increase our product based sales, which will help improve the margins over time and also increase the intellectual property value of our company. We have estimated an annual budget of ₹ 330.00 lakhs which OIT would spend by development of a dedicated product development team. This team would either develop new products for growing industries such as Solar, Healthcare etc. or augment our existing products to add value added features and version improvements. The internally estimated fund requirements are as shown below:

Resource Costs

Monthly Salary	Amount (₹)
Functional Analyst	4,00,000
Technical Architect	3,00,000
Project Manager	2,00,000
Project Leaders	1,50,000
Developers	1,00,000
QA Engineers	1,00,000
Technical Writers	50,000

Resource Plan

Team Member Type	Q1	Q2	Q3	Q4
Functional Analyst	2	1	1	1
Technical Architect	2	2	1	1
Project Manager	1	1	1	1
Project Leaders	2	2	2	2
Developers		10	10	8
QA Engineers		5	7	10
Technical Writers				4
Sub Total	**5,700,000**	**9,000,000**	**8,700,000**	**9,600,000**
Grand Total				**3,30,00,000**

1.3 Long Term Working Capital Requirements

OIT is a newly incorporated company, with a primary objective of creating an export focused company with an office within the SEEPZ-SEZ, Mumbai. With the growing export demand, we shall be recruiting dedicated project managers, solution architect etc. in order to increase our deliverability and allow the senior management to focus on expanding the business. This new staff would require a lag time to generate revenue and hence working capital requirements would also increase to that extent. The forecasts for working capital needs of FY 2017 for OIT are as explained below:

(₹ in lakhs)

Sr. No.	Particulars	Holding Levels (days)	Fiscal 2017
I	**Current Assets:**		
1	Inventories	-	-
2	Sundry Debtors	150	106.36
3	Cash and Bank Balances		7.30
4	Other Current Assets (including Capital Exp)		-
	Total Current Assets (A)		**113.66**
II	**Current Liabilities**		
1	Sundry Creditors	30	20.00
2	Other Current Liabilities		14.24
	Total Current Liabilities (B)		**34.24**
III	**Total Working Capital Gap (A – B)**		**79.32**
IV	**Funding Pattern:**		
1	Working Capital Facilities from Banks		-
2	Internal Accruals / Owned Funds		-
3	Part of the Net proceeds to be utilised		**79.32**

Note: OIT is a recently incorporated company and has not completed full 12 months of operations upto FY 2015. Hence, comparison with historical financials is not being made.

1.4 General Corporate Purposes

OIT shall be utilizing₹ 3.04 lakhs towards general corporate expenses including but not limited to Stamp duty and related charges for increasing authorized capital for allotting shares to OTL for the investment being made and strategic initiatives, capital investment or fund based support to our subsidiary companies, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

2. Investment in our subsidiary company – M/s. Octaware Technologies Gulf FZE ("OT Gulf")

We have an existing wholly owned subsidiary company in the Middle East – M/s. Octaware Technologies Gulf FZE. ("OT Gulf"). We have been steadily increasing our operational presence and marketing presence within the Middle East through this company. We intend to utilize₹ 330.22 lakhs from the net proceeds of the issue to invest further capital into this company. OT Gulf proposes to utilize these₹ 330.22 lakhs towards expansion activities and setting up of offices in middle east, namely in Dubai, Saudi Arabia and Qatar.

The investment is in the form of equity shares of OT Gulf of face value of AED 1,00,000 each. The dividends will be as per the dividend policy of OT Gulf and there is no dividend assurance. Further, by making the above investment, our Company intends to benefit by overall growth of the consolidated financials due to growth of business under OT Gulf in the Middle East region.

The details of the same as estimated by our internal management sources are explained below:

Particulars	UAE (AED)	Saudi Arabia (SAR)	Qatar (QR)
(A) One Time Expenses			
1) Initial Expenses			
Audit, Tax, Consultanty and Statutory fees	-	5,000	10,000
2) Work Stations & Laptops			
Work Stations	20,000	10,000	15,000
Laptops	15,000	8,000	10,000
Total One Time Expenses	**35,000**	**23,000**	**35,000**
(B) Monthly Recurring Expenses			
1) Salary			
Vice President	20,000		
Regional Head		16,000	
Business Development Manager	14,000		14,000
Account Manager	12,000		12,000
Support Staff	10,000	10,000	5,000
2) Misc Expenses			
Tel Expenses/Travelling/ Electrical	8,000	3,000	3,000
Housekeeping	1,000	500	1,000
3) Office Rent	12,000	3,000	5,000
Total Monthly Recurring Expenses	**77,000**	**32,500**	**40,000**
Expenses for 12 Months	924,000	390,000	480,000
Total Expenses for 1 Years	**959,000**	**413,000**	**515,000**
Total Amount (Rs) @ 17.50 per AED	**16,782,500**	**7,227,500**	**9,012,500**
Grand Total			**₹ 330.22 lakhs***

** The same is rounded to ₹ 330 lakhs for estimating the utilizations.*

3. General Corporate Purposes

We propose to deploy ₹ 46.20 lakhs towards general corporate purposes, including but not restricted to strategic initiatives, capital investment or fund based support to our subsidiary companies, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

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

Issue related Expenses

The expenses for this Issue include lead management fees, underwriting and selling commission, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges.

The details of the estimated Issue expenses are set forth below:

Issue related expenses activity	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
Issue Management fees including underwriting and selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	34.00	68.00%	3.06%
Printing & Stationery, Distribution, Postage, etc.	3.00	6.00%	0.27%
Advertisement & Marketing Expenses	3.00	6.00%	0.27%
Regulatory & other expenses	10.00	20.00%	0.90%
Total Estimated Issue related Expenses	**50.00**	**100.00%**	**4.50%**

Schedule of Implementation

All of the above three objects are proposed to be utilised in the FY 2016-17 itself.

Funds Deployed

We confirm that no funds have been deployed for any of the above mentioned objects up to November 30, 2015.

Bridge Financing

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, we may draw down such amounts, as may be required, from an overdraft arrangement or short term advances in form of director loans or ICDs, to finance any of the above mentioned objects until the completion of the Issue.

Any amount that is drawn down from such bridge financing during this period to finance above mentioned objects will be repaid from the Net Proceeds of the Issue.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

Monitoring of Utilisation of Funds

There is no requirement for a monitoring agency as the Issue size is less than ₹ 50,000 lakhs. Our audit committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our balance sheet for the relevant financial years commencing from Fiscal 2016.

The management of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, except for the internal adjustments / deviations between objects mentioned in the Draft Prospectus, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional vernacular language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

No second-hand equipment is proposed to be purchased out of the Net Proceeds. Further, the Promoters, Directors, Key Managerial Personnel, Senior Management Personnel and the Group Companies do not have any existing or anticipated interest in the proposed acquisition of the equipments and items or in the entity from whom we have obtained quotations for the same

BASIC TERMS OF ISSUE

Terms of the Issue

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

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

Authority for the Issue:

The present issue has been authorized pursuant to a resolution of our Board dated October 05, 2015 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on November 09, 2015.

Other Details

Face Value	The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
Issue Price	The Equity Shares pursuant to this Draft Prospectus are being issued at a price of ₹ 100 each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 1,200 (One Thousand Two Hundred) and in multiples of 1,200 thereafter; subject to a minimum allotment of 1,200 Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of 1,200 equity shares and 1,200 equity shares thereafter. The entire price of the equity shares of ₹ 100 per share (₹ 10 face value + ₹ 90 premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

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 40 of the Companies Act, 2013.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 100 per Equity Shares and is 10 times of the face value. Investors should read the following basis with the sections titled "Risk Factors" and "Financial Information" and the chapter titled "Business Overview" beginning on pages 9, 140 and 88 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. 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

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ Experienced Promoters and Management Expertise
- ✓ Long Business Experience and Established Network
- ✓ Wide range of services and products offering
- ✓ International Presence
- ✓ Microsoft as our Solution Partner
- ✓ Certifications, Awards and Accreditations
- ✓ Scalable Business Model

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see "*Business Overview – Our Strengths*" on page 90 of this Draft Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)(1)	Weight (Consolidated)
2015	3.77(2)	2
2014	4.40(2)	1
Weighted Average	**3.98**	
For June 30, 2015(3)	**1.24**	

(1) Based on Consolidated Restated Financials of our Company
(2) For F. Y. 2014 and 2015, the Face Value of the Equity Shares was ₹ 1/ -. However, for comparison purposes we are considering the face value to ₹ 10/- each and hence EPS values have been adjusted accordingly.
(3) Not Annualised

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)(1)	Weight (Standalone)
2015	2.48(2)	3
2014	2.46(2)	2
2013	1.14	1
Weighted Average	**2.25**	
For June 30, 2015(3)	**-**	

(1) Based on Standalone Restated Financials of our Company
(2) For F. Y. 2014 and 2015, the Face Value of the Equity Shares was ₹ 1/ -. However, for comparison purposes we are considering the face value to ₹ 10/- each and hence EPS values have been adjusted accordingly.
(3) Negligible

Notes:

a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year / period}}$$

b. Basic EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year / period}}$$

c. Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" prescribed by the Companies (Accounting Standard) Rules, 2006.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 100 per share of ₹ 10 each

Particulars	Consolidated	Standalone
P/E ratio based on Basic & Diluted EPS as at March 31, 2015	26.53	40.32
P/E ratio based on Weighted Average EPS	25.13	44.44

Industry P/E	
Highest – Ramco Systems Limited	459.4
Lowest – Rolta India Limited	2.5
Average	**17.5**

(Source: Capital Market, Vol. XXX/19, Nov 09 – 22, 2015)

3) Return on Networth (RoNW)

Consolidated

Year ended March 31,	RoNW (%)	Weight
2015	20.92%	2
2014	30.81%	1
Weighted Average	**24.22**	
For June 30, 2015[(1)]	**6.54%**	

[(1)] *Not Annualised*

Standalone

Year ended March 31,	RoNW (%)	Weight
2015	16.78%	3
2014	19.93%	2
2013	12.21%	1
Weighted Average	**17.07%**	
For June 30, 2015[(1)]	**-**	

[(1)] *Negligible*

Note: Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit / loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

4) Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2014

The minimum return on increased net worth i.e. after Issue, required to maintain pre-Issue Basic / Diluted EPS for the F.Y. 2014-15 is **9.32**% as per the consolidated financials **and 6.51**% as per the standalone financials.

Note:
Net worth is the sum of the share capital, the reserves and the surplus less miscellaneous expenditure not written off.

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

Financial Year	Standalone NAV (in ₹)	Consolidated NAV (in ₹)
NAV as at March 31, 2015	14.80[1]	18.02[1]
NAV as at June 30, 2015	14.79[1]	19.04[1]
NAV after Issue	38.10	40.45
Issue Price	100.00	100.00

[1] For Period ended June 30, 2015 and F. Y. 2015, the face value of the Equity Shares was ₹ 1/-. However, for comparison purposes we are considering the face value to ₹ 10/- each and hence NAV values have been adjusted accordingly.

Note: Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

6) Comparison with Industry peers[1]

Particulars	Face Value (₹)	EPS (₹)	P/E Ratio[2]	RONW (%)	NAV (₹)
Accelya Kale Solutions Limited[4]	10.00	9.42	105.82	58.56%	63.35
Blue Star Infotech Limited	10.00	4.32	45.63	15.13%	98.21
Cigniti Technologies Limited	10.00	2.29	188.12	9.42%	93.59
Nucleus Software Exports Limited	10.00	6.37	18.76	14.76%	121.88
Persistent System Limited	10.00	9.59	74.35	20.67%	169.36
Source: Company Annual Reports					
OCTAWARE TECHNOLOGIES LIMITED[5]	10.00	3.77	26.53[3]	20.92	18.02

[1] All Peer Comparisons are for Financials on Standalone basis
[2] Based on closing price of the stock as on March 31, 2015, except for Accelya Kale Solutions Ltd. which is for June 30, 2015
[3] Issue price as disclosed in this Prospectus / EPS
[4] All calculation for Accelya Kale Solutions Ltd. are based on the financials for the year ending June 30, 2015
[5] For F. Y. 2015, the face value of the Equity Shares was ₹ 1/-. However, for comparison purposes we are considering the face value to ₹ 10/- each and hence all values have been adjusted accordingly.

7) The Company in consultation with the Lead Manager believes that the issue price of ₹ 100 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 10 times of the face value i.e. ₹ 100 per share.

STATEMENT OF POSSIBLE TAX BENEFITS

To
The Board of Directors
Octaware Technologies Limited
204, Timmy Arcade, Makwana Road,
Marol Naka, Andheri (E)
Mumbai – 400 059

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed annexure, prepared by the Management of **Octaware Technologies Limited** ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the 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 fulfill.

The benefits discussed in the enclosed statement are not exhaustive. 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. The same shall be subject to notes to this annexure.

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 **Octaware Technologies Limited** 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.

For **R. T. Jain & Co.**
Chartered Accountants
Firm Registration No.103961W

(CA Bankim Jain)
Partner
Membership No. 139447

Place: Mumbai
Date: December 18, 2015

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OCTAWARE TECHNOLOGIES LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-16.

BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

1. General tax benefits

A. Dividends

As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (MAT) liability.

The Company distributing dividend to its shareholders will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend..

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (plus surcharge and education cess).

B. Buy Back of Shares

As per section 115QA of the Act, an Indian unlisted company will have to be pay 20% tax on 'distributed income' on buyback of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from June 1, 2013.

Such tax is payable by the company notwithstanding that no income tax is payable on its total income. No deduction shall be allowed to the company or shareholder in respect of the income which has been subject to such distribution tax or the tax thereon.

C. Business Income

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

D. MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.

- As per Section 115JB, Minimum Alternate Tax ("MAT") is payable @18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 5% would be levied if the total income exceeds ₹ 100 lakhs but does not exceed ₹ 1000 lakhs. A surcharge at the rate of 10% would be levied if the total income exceeds ₹ 1000 lakhs. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.

- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

E. Capital Gains

(i) Computation of capital gains

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

- Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.

- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by:

    1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
    2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed ₹ 50,00,000 per assessee during any financial year.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

F. Securities Transaction Tax

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

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BENEFITS TO THE RESIDENT MEMBERS / SHAREHOLDERS OF THE COMPANY UNDER THE ACT

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

As per the provisions of Section 10(34) of the Act, dividend(both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.
However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

B. Capital Gains

(i) Computation of capital gains

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

- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed ₹ 5,000,000 per assessee during any financial year.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').

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

C. Tax Treaty Benefits

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

D. Non-Resident Taxation

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

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.

- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).

- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (‘FIIS’) UNDER THE ACT

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

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.
However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

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

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

- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

C. Capital Gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB & certain securities & government Bonds as mentioned in section 194LD) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Interest on certain securities & government bonds as mentioned in section 194LD is taxable @5% only.

- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

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

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge (as applicable) where the taxable income exceeds ₹ 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.

- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

D. Securities Transaction Tax

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

E. Tax Treaty benefits

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

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

a) Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

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

For **R. T. Jain & Co.**
Chartered Accountants
Firm Registration No.103961 W

(CA Bankim Jain)
Partner
Membership No.139447

Place: Mumbai
Date: December 18, 2015

SECTION IV – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

Global Scenario

The global economic activity appears to be stabilizing, but with markedly divergent growth between advanced and emerging economies, and between commodity exporters and importers. Monetary policy stances across countries have been easing and market expectations on the timing of the US monetary policy normalization have been pushed back. In response, there have been large movements in exchange rates and other asset prices. Reflecting risk appetite and search for long-term yields have fallen to record lows amidst heightened volatility in financial markets. Even though financial conditions are easy and are being reflected in financial asset prices, the outlook for global growth remains moderate, held back by still-weak demand.

The table below shows the real GDP growth (Y-o-Y, %) –

Period	Q1-2014	Q2-2014	Q3-2014	Q4-2014	2015P
Advanced Economies					
United States	1.9	2.6	2.7	2.4	3.6
Euro area	1.1	0.8	0.8	0.9	1.2
Japan	2.1	-0.4	-1.4	-0.7	0.6
United Kingdom	2.7	2.9	2.8	3.0	2.7
Canada	2.1	2.6	2.7	2.6	2.3
Emerging Market Economies					
China	7.4	7.5	7.3	7.3	6.8
Russia*	0.6	0.7	0.9	0.4	-3.0
Brazil*	2.7	-1.2	-0.6	-0.2	0.3
Mexico	0.9	2.8	2.2	2.6	3.2
South Africa	2.1	1.3	1.5	1.3	2.1
Memo Items:	2014				2015P
World Output	3.3				3.5
World Trade Volume	3.1				3.8

P: Projection.

*not seasonally adjusted

Sources: OECD, IMF and Bloomberg.

The United States growth has been firming up, aided by improving labor and housing market conditions. The sharp appreciation in the US dollar in recent months could, however, dampen prospects for exports. The Euro area, economic conditions remain weak although some pick-up in Q4 of 2014 and the early months of 2015 is being observed, supported by lower crude prices and the depreciation in the euro as well as increased bank lending. In China, activity has slowed over the second half of 2014 and Q1 of 2015 as investment demand lost pace and the real estate sector weakened on deleveraging and financial repair among households and corporations. The Russian economy slowed sharply due to falling oil prices and Western sanctions. Contraction continues in Brazil as high inflation squeezes domestic demand. Falling oil and commodity prices also weighed on growth prospects of countries in the Middle East, Eastern Europe and Latin America.

The pace of global trade continues to be weighed down by both cyclical and structural factors, with world trade volume growing by only 3.1 % in 2014 - well below the pre-crisis trend. Even though world trade growth is expected to pick up moderately along with improvement in global output in 2015, risks continue to tilt downwards.

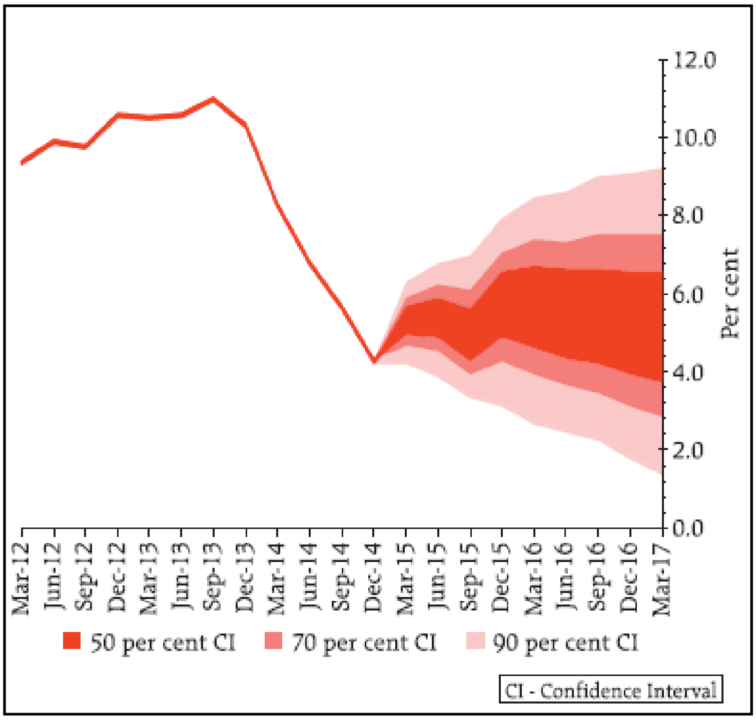
Since August 2014, strong supply positions have led to a drastic fall in world energy prices, with Brent and WTI crude oil prices falling below US$ 50 per barrel in January 2015. Most non-energy prices have also been on a steady decline. Global food prices continue to slide downward, underpinned by strong production expectations, robust inventories, the strong US dollar and limited demand from major importers like China. Looking ahead, commodity prices will likely remain stable as slack in the global economy persists.

With respect to inflation, the Euro area is struggling to emerge out of a deflationary spiral with CPI inflation of (-) 0.1% in March. In the US and the UK, inflation has been declining since the second half of 2014, with zero inflation in February in both countries. For the UK, low food and fuel prices have been the prime factors for keeping inflation low. In the US, appreciation of the dollar has also had a disinflationary effect. In Japan too, CPI inflation has shrugged off the effects of the hike in the consumption tax in April 2014 and has steadily fallen to 2.2 %, primarily driven down by falling commodity prices
(Source: Monetary Policy Report, issued by RBI on April 01, 2015)

Indian Scenario

Since the first Monetary Policy Report (MPR) of September 2014, tectonic shifts in the global and domestic environment drastically changed the initial conditions that had underpinned staff's outlook at that time. The most significant shock to forecasts has been the collapse of international commodity prices, particularly those of crude. For the Indian economy, this translated into a sizable softening of prices of both raw materials and intermediates. Their pass-through, given the persisting slack in economic activity, weakened pricing power and fed into a faster than anticipated easing of output price pressures.

It is indicated that the CPI inflation will remain below the target of 6 % set for January 2016, hovering around 5 % in the first half of 2015-16, and a little above 5.5 % in the second half, as can be seen in the chart below–



CPI Inflation (year by year projection)

Medium-term projections derived from model estimates assuming an unchanged economic structure, fiscal consolidation in line with the recalibrated path, a normal monsoon and no major exogenous or policy shocks indicate that CPI inflation in 2016-17 could be around 5.0 %in Q4 of 2016-17, with risks evenly balanced around it.

Advance estimates of the CSO indicate that the growth of real GDP (market prices) picked up to 7.4 % in 2014-15 from 6.9 % a year ago. However, the Real Gross Domestic Product (GDP) growth for 2014-15 was projected by the Reserve Bank at 5.5 %. The CSO's provisional estimates of GDP (base: 2004-05) tracked staff's projected path well up to Q2 of 2014-15. The new GDP data (rebased to 2011-12) released by the Central Statistics Office (CSO) at the end of January 2015 and on February 9, however, came as a major surprise as it produced significantly higher growth at constant prices.

Driving this quickening of activity, the weighted contribution of private final consumption expenditure is estimated to have risen to 4.1 % in 2014-15 from 3.6 % in 2013-14. Quarterly data suggest, however, that the growth of private final consumption expenditure slowed down considerably in Q3 of 2014-15; it would need to have grown by around 12 % in Q4 to match advance estimates of 7.1 % for the full year.

In the money markets, interest rates eased during Q3, barring intermittent spikes around the third week of October due to festival-related pick-up in currency demand, and again in the second half of December on account of advance tax payments and quarter-end balance sheet adjustments.

Pro-active liquidity management under the new operating procedure of monetary policy has played a key role in the seamless transmission of policy impulses through the money markets.

In the foreign exchange market, the predominant driver has been robust capital flows that started from March 2014. The exchange rate of the rupee moved in a narrow range of ₹ 61.04 - 62.14 per US$ but with an upward bias through most of Q3. From December 10, however, the rupee experienced downward pressures, slipping to a recent low of ₹ 63.75 on December 30 on a combination of factors – spillovers from the Russian currency crisis.

The forward market also exhibited heightened activity in Q3, with the six-months forward premium declining from 8.16 % on October 9 to 7.13 % on December 26.

The Union Budget 2015-16 has provided for higher allocations to infrastructure and a substantial increase in the resource transfer to states, keeping in view the two-fold objectives of promoting inclusive growth and strengthening fiscal federalism. This has necessitated a deviation from the fiscal consolidation trajectory in 2015-16 and an extension of the period of convergence to the 3 % target for the gross fiscal deficit (GFD) as a proportion to GDP by one year. The budgeted reduction in GFD in 2015-16 reflects the combined impact of a compression in plan revenue expenditure and an increase in non-debt capital receipts.
(Source: Monetary Policy Report, issued by RBI on April 01, 2015)

OVERVIEW OF GLOBAL AND DOMESTIC I.T. INDUSTRY

Global Scenario
According to the Network Readiness Index (NRI), the top 10 countries that are best placed to benefit from new Information and Communication technologies (ICT's) are as follows:

RANK	COUNTRY	VALUE	RANK IN PREVIOUS YEAR
1	Finland	6.04	1
2	Singapore	5.97	2
3	Sweden	5.93	3
4	Netherlands	5.79	4
5	Norway	5.70	5
6	Switzerland	5.62	6
7	United States of America	5.61	9
8	Hong Kong	5.60	14
9	United Kingdom	5.54	7
10	Republic of Korea	5.54	11

Finland tops the rankings for the second consecutive year, thanks to its outstanding digital infrastructure, which the Global Information Technology Report (GITR) says is the best in the world. With more than 90% of its population using the internet, and with high levels of innovation, Finland is reaping the rewards of investing heavily in ICT in the mid-1990s, which it did in response to a financial crisis.

Singapore remains in 2nd place in the NRI. Supported by a government with a clear digital strategy, which offers an ICT infrastructure that is relentlessly being improved, and the best online services and highest-quality education systems in the world, this city state has become a knowledge-intensive economy and ICT powerhouse.
Sweden stays in 3rd place, reflecting its world-class yet affordable digital infrastructure and stable pro-business environment, despite high tax rates.

The Netherlands retains its high ranking from the 2013 index. This service-based economy has quickly and skillfully recognized the importance of ICTs in boosting innovation and competitiveness.

Norway, with a well-developed and affordable ICT infrastructure, sits in 5th place in the NRI. Digital uptake is almost universal among Norway's population: 95% are internet users and more than 90% have access to a personal computer and internet connection at home.

Switzerland benefits from an excellent, if expensive, ICT infrastructure and a strong education system that provides the necessary skills to create a knowledge-based, technology-rich economy.

The United States of America has moved up 2 positions to 7th on the list, due to improvements in many areas of the index, including the country's already strong business and innovation environment and ICT infrastructure.

Hong Kong has shown the most pronounced improvement among the top 10, climbing six positions to eighth place due to improvements in conditions for innovation and entrepreneurship, better skills training and increased use by both business and government.

The United Kingdom dropped 2 places from last year. UK was early in recognizing the importance of ICTs, especially to innovation and competitiveness, and as a result has become highly digitized, with a thriving e-commerce environment.

South Korea moved up 1 position and enters the top 10. A country that has based its economic success largely on the ICT industry, Korea's government ranks first in the world in terms of online services.
(Source: Global Information Technology Report: The Risks and Rewards of Big Data, issued by World Economic Forum in 2014)

Domestic Scenario

The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energizing the higher education sector especially in engineering and computer science.

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 52 % of the US$ 124-130 billion market. The industry employs about 10 million Indians and continues to contribute significantly to the social and economic transformation in the country.

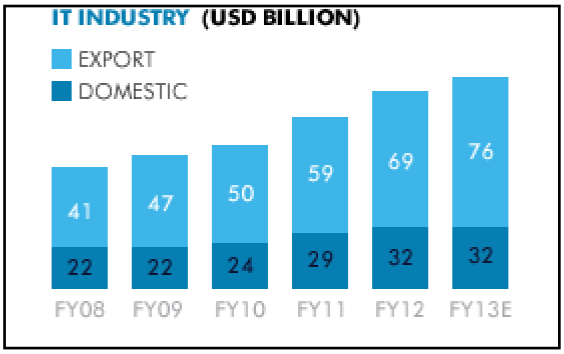
India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be its unique selling proposition (USP) in the global sourcing market.

The Indian IT and ITeS industry is divided into four major segments –

- IT services
- Business Process Management (BPM)
- Software Products and Engineering Services
- Hardware

The IT-BPM sector in India grew at a compound annual growth rate (CAGR) of 25% over 2000-2013, which is 3-4 times higher than the Global IT-BPM spend, and is estimated to expand at a CAGR of 9.5% to US$ 300 billion by 2020.

Exports in the IT Industry for FY 2008 to 2013



(Source: Sectoral Report, issued by IBEF in February, 2015)

Market Size

India, the fourth largest base for young businesses in the world and home to 3,000 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by Nasscom and Zinnov Management Consulting Pvt Ltd.

India's internet economy is expected to touch ₹ 10 trillion (US$ 161.26 billion) by 2018, accounting for 5 % of the country's gross domestic product (GDP), according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). In December 2014, India's internet user base reached 300 million, the third largest in the world, while the number of social media users and smartphones grew to 100 million.

Public cloud services revenue in India is expected to reach US$ 838 million in 2015, growing by 33 % year-on-year (y-o-y), as per a report by Gartner Inc. In yet another Gartner report, the public cloud market alone in the country was estimated to treble to US$ 1.9 billion by 2018 from US$ 638 million in 2014. The increased internet penetration and rise of e-commerce are the main reasons for continued growth of the data centre co-location and hosting market in India.
(Source: Sectoral Report, issued by IBEF in February, 2015)

Government Initiatives that boost this sector

The adoption of key technologies across sectors spurred by the 'Digital India Initiative' could help boost India's gross domestic product (GDP) by US$ 550 billion to US$ 1 trillion by 2025, as per research firm McKinsey.

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- India and the United States (US) have agreed to jointly explore opportunities for collaboration on implementing India's ambitious ₹ 1.13 trillion (US$ 18.22 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.

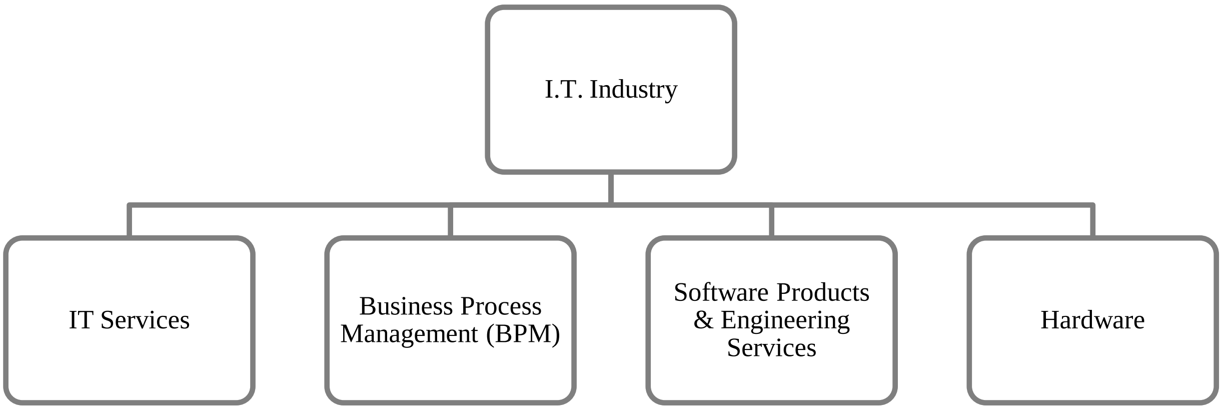
- India and Japan held a Joint Working Group conference for Comprehensive Cooperation Framework for ICT. India also offered Japan to manufacture ICT equipment in India.

- The Government of Telangana began construction of a technology incubator in Hyderabad—dubbed T-Hub—to reposition the city as a technology destination. The state government is initially investing ₹ 35 crore (US$ 5.64 million) to set up a 60,000 sq ft space, labelled the largest start-up incubator in the county, at the campus of International Institute of Information Technology-Hyderabad (IIIT-H). Once completed, the project is proposed to be the world's biggest start-up incubator housing 1,000 start-ups.

- Bengaluru has received US$ 2.6 billion in venture capital (VC) investments in 2014, making it the fifth largest recipient globally during the year, an indication of the growing vibrancy of its startup ecosystem. Among countries, India received the third highest VC funding worth US$ 4.6 billion.

- Software Technology Park Scheme (STP) is another initiative which helps the IT sector.
  (Source: Sectoral Report, issued by IBEF in February, 2015)

Classification of I.T. industry



Octaware Technologies Ltd is involved in IT Services, Business Process Management (BPM) and Software Products and Hardware.

- **IT Services:**

IT services refer to the application of business and technical expertise to enable organizations in the creation, management and optimization of or access to information and business processes.

The IT services market can be segmented by the type of skills that are employed to deliver the service (design, build, run).

There are also different categories of services:

- Business process services
- Application services
- Infrastructure services.

If these services are outsourced, they are referred to as business process outsourcing (BPO), applications outsourcing (AO) and infrastructure outsourcing.
(Source: Gartner Analysis)

Indian IT Services

The Indian Information Technology / Information Technology Enabled Services (IT/ITES) sector has registered tremendous growth over the past decade,achieving iconic status all over the world and a reputation for reliable and cost-effective delivery of services. Today India is recognised as the outsourcing destination of choice in the world. The major developed markets are sourcing IT/ITES from India to gain bottom-line benefits, improving their competitive edge.

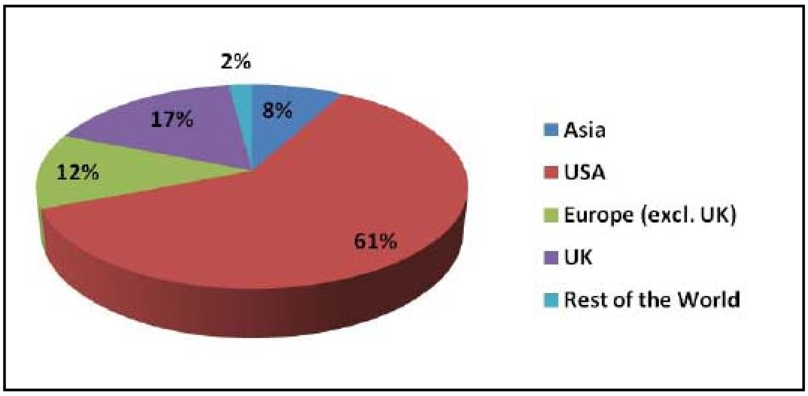
Indian IT companies have set up over 600 delivery centres across the world and are engaged in providing services with presence in over 200 cities across 78 countries. As a proportion of national GDP, the sector revenues have grown from 1.2 % in FY1997-98 to nearly 8.1 % in FY2013-14. India continues to maintain leadership position in the global sourcing arena, accounting for almost 55 % of the global sourcing market size in 2013 as compared to 52 % in 2012.

The Indian IT-ITES industry has emerged as one of the most dynamic sectors in India's economic development and is responsible for the global recognition of India as a 'soft' power. In addition to fuelling India's economy, the IT-ITES industry has been influencing the lives of its people through active direct and indirect contribution to various socio-economic parameters such as employment, standard of living and diversity.
(Source: Department of Electronics & Information Technology (DeitY))

Export of IT Services

The USA, UK and EU remain the major markets for the IT software and services exports, accounting for nearly 90% of the total IT-ITES exports. Markets across continental Europe and Asia Pacific markets are also witnessing significant year-on-year growth.

The estimated share of export markets in FY 2013-14 is given in figure 5.



Revenue

Indian IT-ITES industry revenue is estimated at USD 105 billion in FY2013-14 as compare to USD 95.2 billion in FY2012-13, registering an increase of around 10.3%. The overall industry's growth of this sector over the last five years is given in the table below:

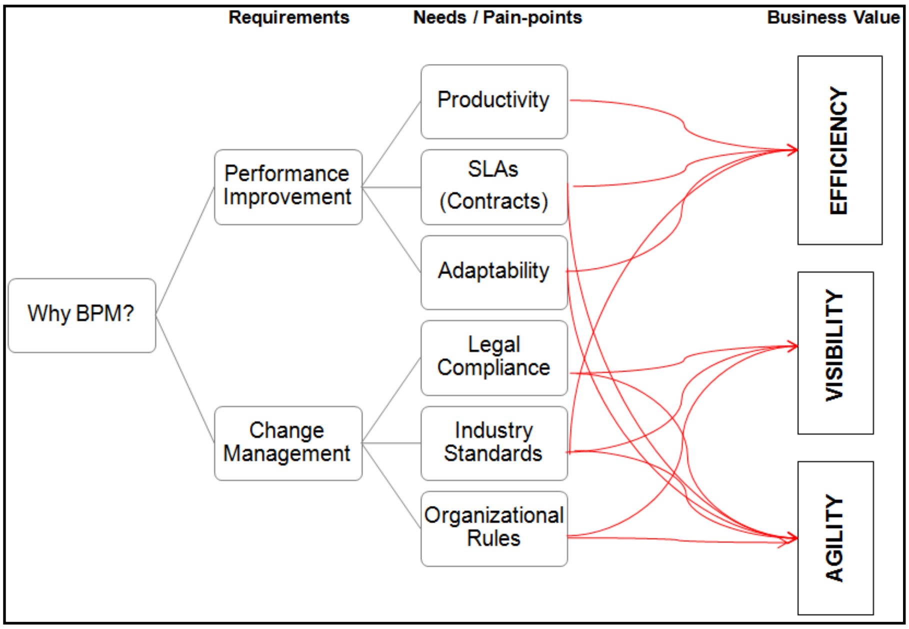
Year/Description	2009-10	2010-11	2011-12	2012-13	2013-14	CAGR(%)
Exports	49.7	59.0	68.8	76.1	86.0	12.80
Domestic	14.3	17.3	19.0	19.2	19.0	8.22
Total	64.0	76.3	87.8	95.2	105.0	11.88

(Source: Department of Electronics & Information Technology (DeitY))

➢ **Business Process Management (BPM)**

Fundamentally, the value of BPM lies in meeting performance improvement and change management objectives. The need for performance improvement commonly stems from a desire to improve productivity (by eliminating manual processes), process optimization (to meet or improve SLAs) and adaptability in terms of time to respond to process change arising from shifting business needs. The need for change management commonly stems from regulation in terms of legal mandates to avoid non-compliance penalties, embrace industry standards for parity with peers and consistently enforce business rules/policies across processes spanning functional/segment silos, customer interaction channels, etc.

Below is a graphical depiction of the business imperatives for and the benefits of BPM:



Source: - (www.oracle.com)

Global BPM Market Analysis

The BPM market forecast to grow from $4.71 billion in 2014 to $10.73billion by 2019. This represents a Compound Annual Growth Rate (CAGR) of17.9% from 2014 to 2019. In terms of regions, North America is expected to be the biggest market, followed by Europe and APAC during the forecast period. This comprehensive coverage of the BPM market provides important inputs such as drivers, restraints, and opportunities in this market; profiles the major players in this market; maps the competitive landscape; and provides the overall perspective of the BPM market across various verticals and regions.

The BPM market comprises solutions such as modeling, automation, integration, content and document management, and monitoring and optimization. In 2014, automation accounts for the highest market share followed by content and document management. There are various assumptions that have been taken into consideration for the market sizing and forecasting exercise. A few global assumptions include political, economic, social, technological, and economic factors. For instance, exchange rates, one of the economic factors, are expected to have a moderate rate of impact on this market. Therefore, dollar fluctuations are expected to not seriously affect the forecasts in the emerging APAC regions.

Companies profiled in this business process management market report include IBM, Appian, Oracle, Pega system Inc, Software AG, EMC Corporation, Fujitsu, Hyland Software Inc, Open Text Inc, TIBCO Software and Bizagi.
Systems business process management software is providing an automated process for achieving the ability to connect people across applications. Within the lines of business BPM software capability extends the reach of everyone, it extends the access to information needed to do a job. As enterprises realize that automation of process is key to market growth BPM is creating new market opportunities.

IBM is the leader in business process management (BPM). IBM is the leader because it has invested in integration and analytics technology needed to achieve comprehensive IT systems implementation that achieves support for collaborative systems. The implementation of BPM depends on a broad set of process technology frameworks that interact seamlessly to achieve the end point integration needed to manage complexity of modern IT systems. IBM stands alone in the IT industry with that capability of managing complexity.

IBM SOA is used to implement cloud systems that stretch the boundaries of the enterprise to user end points, permitting marketing departments to target smart phones, implementing management decentralization and supporting user empowerment. SOA forms the base for business intelligence (BI) and analytics systems. It enables organizational ability to perform diagnostic analytics.

The business process management software provides the ability to connect people across applications within the BPM software capability. As enterprises realize that automation of process is key to market growth BPM is creating new market opportunities. Innovation depends on process automation. BPM software is critical to enabling solutions. Software is a strategic business asset used in every industry at every level. Software is necessary to provide automated process.
(Source: prnewswire.com)

BPMS vendors

The three vendors that have the largest presence in today's market are IBM, Pegasystems and Software AG. The other vendors on this short list are major players with a slightly smaller presence. Appian. (Appian, version 6) Appian is one of the smaller serious players in the BPMS space and has a reputation for being relatively easy to use. HandySoft (BizFlow) Another smaller vendor that has been around since the beginning and has a good reputation. IBM (Business Process Manager, Version 7 and WebSphere Operational Decision Management, Version 7) IBM is the largest player in the BPMS market, and has acquired a wide variety of tools. After a period of digestion, IBM is now offering a relatively integrated and consistent BPMS package. Open Text (A variety of products) OpenText has also acquired a variety of tools but is not so far along in integrating them. Oracle (Business Process Management Suite) Like IBM, Oracle has acquired a variety of earlier vendors, but it is not quite so far along in integrating everything. Oracle's overall commitment to the BPMS market seems to wax and wane. Pegasystems (PegaRULES Process Commander, Version 6) Pega started life as a rule-based expert systems vendor and morphed into one of the strongest BPMS players. Those who like a rule-based approach to software development tend to like this tool.

Software AG (webMethods BPMS, Version 8) Software AG came to BPMS late with its acquisition of web Methods, but followed that with its acquisition of IDS Sheer’s ARIS, thus catapulting itself into a leading position in the process software market. Tibco Software (a variety of tools). Another major vendor that has acquired a variety of tools and has yet to integrate them as well as it might. Beyond this short list of vendors, we could easily add another twenty names of vendors that are active in the BPMS space. Some are focused, like the vendors above, on selling to IT groups, but others are focused on vertical markets or on selling to business groups that are interested manager-controlled process development. And, newer smaller vendors keep popping up.
(Source: National Association of Software and Service Companies (NASSCOM)

Future outlook

The future of the global technology industry will be shaped by economic forces, and adoption of new technologies. To survive in a globally connected, and increasingly competitive world, IT enabled enterprise digital transformation will be a must. With rapidly-evolving technologies, changing consumer preferences and oftentimes competing channels, many organizations struggle with how to transform internally to meet the challenges of this new, always connected digital world. Organizations therefore need to carefully walk the path towards a comprehensive digital transformation with a concrete strategy to utilize its strengths and alleviate its challenges.

As the global economy improves, and consumer confidence increases, investing in new technologies such smart computing products, internet of things, products and platforms, cloud computing, mobility and analytics will enable vendors to gain efficiency, agility, access to consumers, and innovation which when properly leveraged will provide tremendous opportunity for the delivery of real competitive value to clients. The Indian IT-BPM industry is expected to continue to partner and handhold clients to enable business success in the digital era, and is well set on its goal to reach revenues of USD 300 billion by 2020. At the same time, challenges around economic volatility, protectionism, competition and customer understanding will need to be addressed by concerned stakeholders.
(Source: National Association of Software and Service Companies (NASSCOM)

- **Software Products & Engineering Services**

The software industry has transformed the way organizations, businesses, and even people coordinate and work. Its impact on the global economy and across various industries can be gauged by the increase in innovations, technical progress, enhanced productivity, and the workforce. “Software” refers to computer program or data (bits and bytes stored), that can be stored electronically. It’s used by the computer processor to perform various tasks. Mobile software applications (or apps) work in the same manner as their computer software counterparts. Apps are designed for specific tasks like games, global positioning system (or GPS), and music.

Microsoft leads the software market

According to Gartner, in 2013, worldwide software revenue stood at $407.3 billion, compared to $388.5 billion in 2012, registering a 4.8% increase.

Microsoft (MSFT) continues to be the market leader in the segment and holds 16% market share, followed by Oracle (ORCL) and IBM (IBM) at 7.3% and 7.1%, respectively. SAP AG (SAP) and Symantec (SYMC) are among the top ten players in the industry.

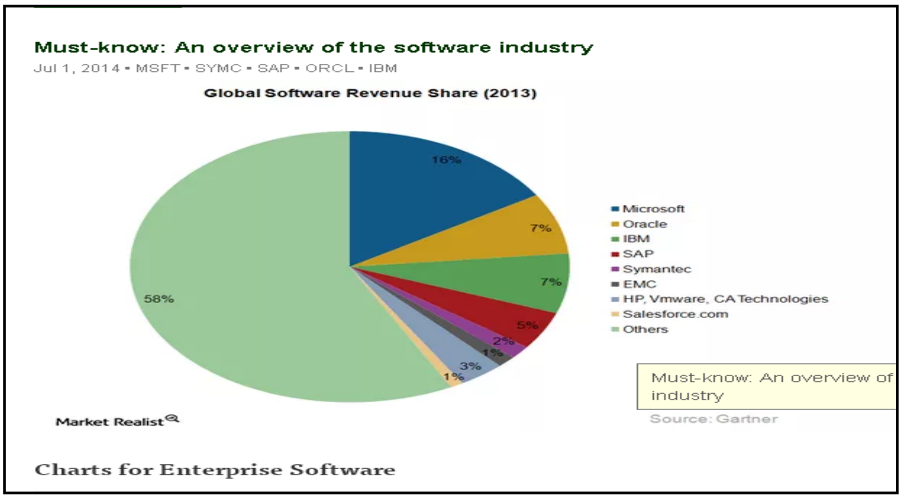
Software is expected to be the fastest growing industry in the IT space

According to Forrester, in 2014 and as the economy improves, the software industry is expected to be the fastest growing industry with expected growth of 7.1%, followed by information technology (or IT) consulting and systems integration services at 6.6% in the IT space. IT consulting refers to the advisory services that help clients in assessing the benefits of different technologies. It helps formulate a suitable technology strategy to align it with clients' business strategies.

System integration refers to the process of making diverse hardware and software components work together as a system. It's a value addition process of linking different computing systems and software applications so that independent applications work as one. The majority of funds allocated for IT spending goes into software development, which clearly indicates its dominance. The emergence of cloud, mobile computing, and applications like business intelligence and analytics are making sure that this growth isn't slowing down.

The software industry is involved in the development, marketing, and sales and is multifaceted. Its scope ranges from personal computer applications, operating systems, network management tools, enterprise software, software applications, operating systems, and customized software.

The following chart shows the overview of the global software revenue share of different companies.



(Source: MarketRealist.com)

Software Products in India

The software industry being the main component of the IT Industry in India has also helped the IT sector in India to grow at a good pace. As per the proceedings taking place in the software industry the future of the India Software Industry looks promising.

India's IT industry can be divided into five main components, viz. Software Products, IT services, Engineering and R&D services, ITES/BPO (IT-enabled services/Business Process Outsourcing) and Hardware. Export revenues, primarily on project based IT Services continue to drive growth with IT Services. This accounts for 54.2% of total revenues followed by BPO and Engineering services at 19.5%, Software Products at 15.3% and hardware at 11%. Multi-year annuity based outsourcing agreements continue to increase at a steady rate. In terms of total export and domestic revenues, Application Development and Maintenance (ADM) still continue to be the bread and butter for Indian IT companies; however traditional services have become increasingly commoditised

Increasing competition, pressure on billing rates of traditional services and increasing commoditization of lower-end services are among the key reasons forcing the Indian software industry to make a fast move up in the software value chain. The companies are now providing higher value-added services like consulting, product development, R&D as well as new digital technologies like social media, mobility, analytics, and cloud computing (SMAC).
(Source: BusinessMapsof India.com)

Future prospects

- Billing rates are expected to remain under pressure due to commoditization of traditional services. Therefore companies are expected to preserve their margins through effective cost containment measures like shifting more wore work offshore, improving employee utilisation and the increasing use of automation software.

- The integration of IT-BPO contracts is expected to become more common, as clients look out for end-to-end service providers. Large Indian companies like Infosys, TCS, Wipro, Tech Mahindra and HCL Technologies, will benefit from this trend.

- Billing rates are expected to remain under pressure in the short term. Therefore companies are expected to preserve their margins through effective cost containment measures like shifting more wore work offshore and improving employee utilisation. Lessons learnt during the global financial crisis can benefit them in the long run.

(Source: Equity Master)

Hardware

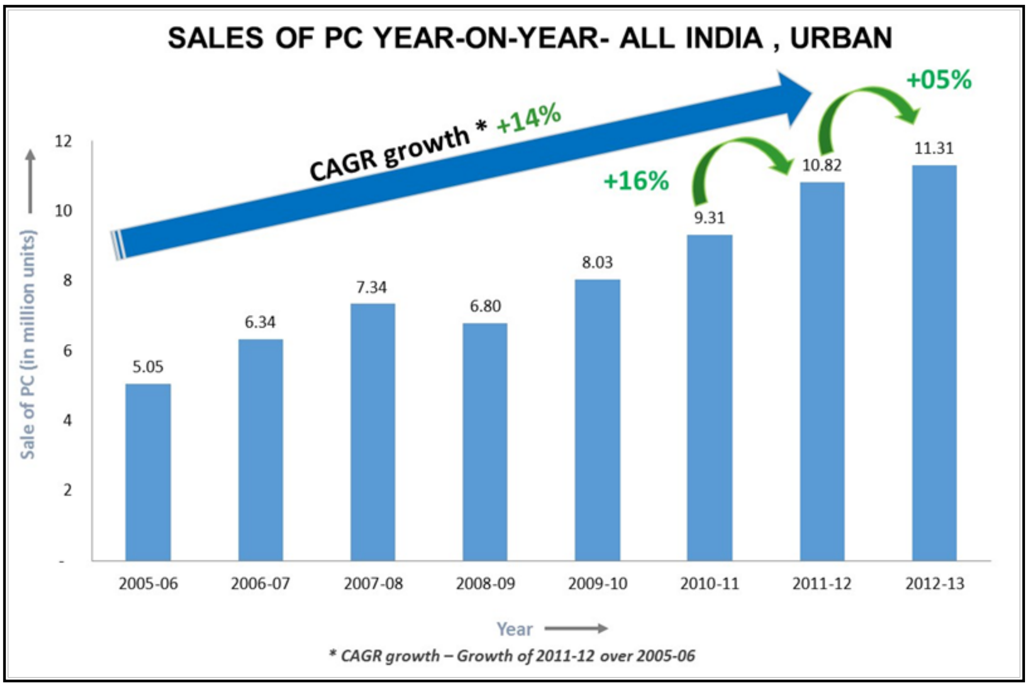
Computer hardware, as we use the term, means central processing units (CPUs), including memory and storage-in other words, the machine on which you run an operating system and application software and to which you attach peripherals (keyboards, mice, printers, etc.). Also included in our definition are the servers, electronic security, and storage devices used in the data centres of many corporations.

Computer hardware and software are useless without each other. But working together they store, modify, and exchange data: words, pictures, and numbers-everything from correspondence to news photos, from drawings of jet aircraft to shipping manifests, from news releases to financial reports, from census statistics to stock quotes, from maps to email.

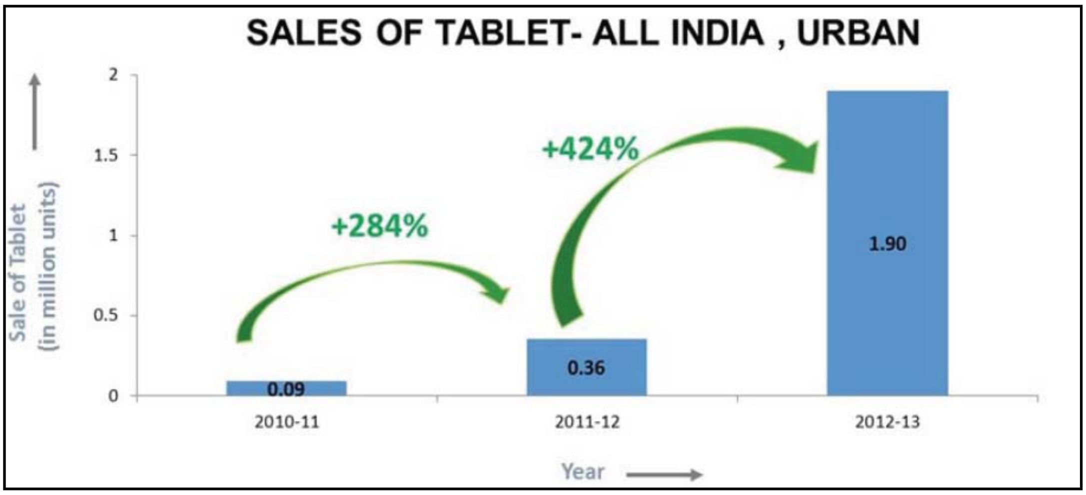
Indian IT Hardware Industry

The Indian IT Hardware Industry is going through an interesting change since the last 12-14 months.

MAIT’s annual ITOPS study suggests that PC sales have touched 11.31 million in 2012-13, 0.49 million more than that of previous year. While the ‘Household’ segment continued to dominate the sales proceedings by contributing around 60% of sales, the downward spiral got reflected in the growth of Desktop PC in the ‘Establishment’ segment as it witnessed a growth rate of 1% only over the previous year, much lower than previous year growth rate of 11%. Notebooks had witnessed a growth of 10% in 2012-13 over the previous year.



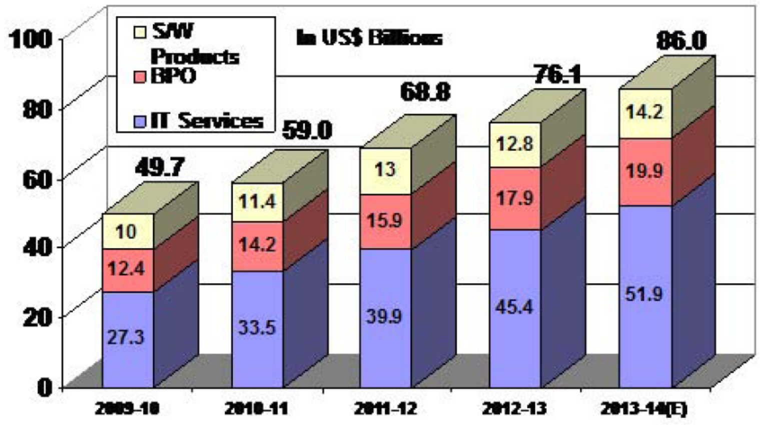
The year 2012-13 has been the year for Tablet PC with consumers preferring Tablet over PC as their replacement. The combination of basic functioning of a PC coupled with affordability is turning the tide favourably towards Tablet PC. The sales for 2012-13 stood at 1.9 million units as against 0.36 million units in 2011-12.



The overall growth of the Tablet industry is impressive, however, the decline in the growth of PC is a matter of concern which is growing by only 5% but it is also a reality. The growth of PC industry is crucial, as the country still has very low PC penetration when compared with other developing economies.
(Source: Manufacturers' Association for Information Technology (MAIT))

Segment wise Export Revenue Trends in IT & ITeS industry

The IT Services exports accounts for the largest share of 60.3 %, BPO exports contribute 23.2 % followed by ER&D and software products that together accounts for 16.5 %. The following chart shows the export revenue in the IT and BPO industry.



Year/Segment	2009-10	2010-11	2011-12	2012-13	2013-14	CAGR (%)
IT Services	27.3	33.5	39.9	45.4	51.9	15.0
ITeS- BPO	12.4	14.2	15.9	17.9	19.9	11.21
Software Products & Engineering Services	10.0	11.4	13.0	12.8	14.2	8.14
Total IT/ ITeS	49.7	59.0	68.8	76.1	86.0	12.8

India's Strength in IT & BPM industry

- IT- BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing immensely to the country's GDP (8.1%) and public welfare.

- India has captured a sizeable portion of the global technology sourcing business. The Indian IT industry's (including hardware) share in the global market stands at 7% and growth has been largely due to exports.

- 60% firms use India for testing services before taking software products global.

- Expected growth – IT Services (>14% over FY2013); BPM (>11% over FY2013).

- Cost Leadership – savings of > USD 200bn for clients in the past 5 years.

- India has a rapidly growing urban Infrastructure fostering several IT centers in the country; 50 cities for service delivery.

- FDI up to 100% under the automatic route is allowed in data processing, software development and computer consultancy services; software supply services; business and management consultancy services, market research services, technical testing and analysis services.

Basic Facts about these Industries

- Expected IT-BPM revenues – USD 118bn in 2014.

- Exports – USD 86.4bn in 2014 (estimated) (IT services - USD 52bn; BPM – 20bn; Engineering and R&D services (ER&D) and software products - USD 14bn; Hardware – USD 0.4bn).

- More than 15,000 firms; of which 1000+ are large firms.

- Largest private sector employer – 3.1m jobs.

- Sector accounts for largest share in total services exports (38%).

- 600 offshore development centres (ODCs) of 78 countries.

(Source: Department of Electronics & Information Technology (DeitY))

Future of IT industry

Internet should be a basic human right, say 87 % of internet users in India, compared with 83 % globally, according to a report by Centre for International Governance Innovation (CIGI).

India continues to be the topmost off-shoring destination for IT companies followed by China and Malaysia in second and third position, respectively. Emerging technologies present an entire new gamut of opportunities for IT firms in India. Social, mobility, analytics and cloud (SMAC) collectively provide a US$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 % to around US$ 650-700 billion by 2020. Social media is the second most lucrative segment for IT firms, offering a US$ 250 billion market opportunity by 2020.

The US$ 12 billion plus rising Indian e-commerce business market is witnessing a rush of hiring and may need 100,000 people over the next six months, as per industry experts. The industry offers a slew of opportunities and scope for innovation thereby attracting the young mind to push their limits.
(Source: Sectoral Report, issued by IBEF in February, 2015)

OUR BUSINESS

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 Prospectus, including the information contained in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 9, 177 and 140 of this Draft Prospectus, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company's restated audited financial statements. Further, all references to 'Octaware', 'OTL', 'the Company', 'our Company' and 'the Issuer' and the terms 'we', 'us' and 'our', are to Octaware Technologies Limited.

OVERVIEW

Our Company is a software development, enterprise solution and consulting firm engaged in the business of providing a range of Information Technology ("IT") solutions to companies across sectors such as Healthcare, Education, Telecom, Oil & Gas, Real Estate & Construction, Banking & Financial Services and Manufacturing sectors. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customers' existing software products.

We endeavour to bring together creativity and knowledge with positive business strategy to furnish the requirements of diverse clients with an inclusive range of products and services which are comprehensive and cost-effective so that the client can focus on their core-competencies to improve or expand their businesses. Our Company delivers services across all stages of the product life-cycle, which enables us to work with a wide-range of customers and allows us to develop, enhance and deploy our customers' software products. The various services offered by our Company are Software Development Services, Enterprise Portal, ERP and CRM Implementation, Consulting Services, Mobile Solutions, RFID Solutions, Cloud and IT Infrastructure Services and Geospatial Services. Our comprehensive suite of service offerings allows us to attract new customers and expand existing customer relationships. We also provide an array of products and solutions like PowerERM – Employee Relationship Management, Hospice – Healthcare Solution and iOnAsset – Asset Tracking & Management System, RealWin – Real Estate CRM Solution, Life2Care – Patient Relationship Management, eDocNet – Enterprise Content and Document Management Solution and eQuire – Office Automation and eProcurement Management Solution which help our clients in strategising their business objectives.

As an offshore outsourcing company, we have various offshore development centres in India. Currently, we have 3 offices in India, including our registered office, a SEZ office in Mumbai and a development office in Pune.

To support our operations and carry out businesses in different location within India and abroad, we have 2 subsidiaries namely Octaware Information Technologies Pvt. Ltd. ("OIT") having its Registered Office in Mumbai, India and Octaware Gulf FZE registered in the Ras Al Khaimah Free Trade Zone, UAE. Our operations for USA are supported by Octaware Technologies LLC which is registered in Kent, Washington, USA. Our Promoters / Directors currently own approximately 66% of the shares in the said Company. We are in the process of acquiring this stake in OT-USA, thus making it our subsidiary, and the relevant RBI and other approvals are awaited. However, The Octaware group structure is as shown below:

OCTAWARE TECHNOLOGIES LIMITED		
Octaware Information Technologies Pvt. Ltd. (99% Subsidiary)	Octaware Gulf FZE (100% Subsidiary)	Marketing Offices / Business Partners

We further operate through our various business partners having marketing offices in Qatar, Singapore, Saudi Arabia, Nigeria and Zimbabwe. For further details of our marketing set-up and our business partners, please refer the section "*Sales and Marketing Set-up*" in this chapter on page 104 of this Draft Prospectus.

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Having worked with technology companies like TCS, Microsoft, Citibank and AskMe Inc., Mr. Aslam Khan started Octaware in 2005 pooling all his experience. He was aided by Mr. Sajid Hameed who has rich experience in setting up business, developing markets, managing customers and handling overall businesses. In the year 2006, our Company acquired 2 large customers in US and the growth continued with our establishing partner relationships in

Qatar in 2007, allowing us to offer specialised solution for the Middle East market. Later in 2008, our Company introduced solutions for various industries like healthcare, professional services and real-estate industry by investing in in-house product development.

Our Company has since consistently grown in size and has obtained various accreditations and has won many prestigious awards over the past few years, the details of which are as under:

Accreditations Obtained

Accreditation	Year	Description
ISO 9001:2008	2013	Our Company has received certification from UKAS certifying that our products and services meet the required quality standards.

Awards Received

Award	Year	Description
CMMI V1.3 (DEV) Maturity Level -3	2014 – 2017	Our Company has received Maturity Level 3 rating from CMMI Institute, Carnegie Mellon University, USA for demonstrating its leadership in Development commitments and Process Improvements for our products Hospice and PowerERM.
GLOBAL CSR Excellence and Leadership Award	2014	Our Company was awarded under the category “Contribution to Employment for Individuals with Disabilities” for its highly impacting CSR project encompassing its novel work of generating employment in IT Industry for blinds and visually impaired. The Award was presented on the occasion of World CSR Day by Mr. Bhaskar Chatterjee, Director General of Institute Of Corporate Affairs, Ministry of Corporate Affairs, Govt. of India.
Global IT Architecture Excellence Award	2013	Our Company won the “Global IT Architecture Excellence Award” in the “Best Software Architecture in IT Products” category at the iCMG Enterprise & IT Architecture World 2013 event held at the Le Meridien, Bangalore, India. Our Company has been recognised for its unique approach to develop web based software product for healthcare industry using Zachman framework.
Stevie IBA Award	2012	Our Company won the “Stevie IBA Award 2012” and was declared as “Most Innovative Company of the Year” getting a Silver Award. This award honours the year’s most recognised and promising technology companies across the globe.
Deloitte Technology Fast 500 Asia Pacific	2011	Our Company was conferred with the “Deloitte Technology Fast 500 Asia Pacific 2011” award, for the year's most promising public and private technology ventures in the region. This award was presented at a function in Hong Kong, in recognition of our Company’s significant achievement and commitment to technology and commendable efforts towards implementing industry best practice.
Deloitte Technology Fast 50 India	2011	Our Company was conferred with the “Deloitte Technology Fast 50 India 2011” award. This award is a ranking of India’s 50 fastest-growing technology companies based on overall company performance over a period of three years.
Red Herring Asia Top 100 Award	2010	Our Company was acknowledged as Asia's Top 100 upcoming Tech Start-up. At a function in Shanghai in 2010, Red Herring announced its Top 100 Asia Award in recognition of the leading private companies from Asia, celebrating these start-ups’ innovations and technologies across their respective industries.

Our consolidated operational revenues, as restated, were ₹ 548.84 and ₹ 406.66 for the Fiscal 2015 and 2014 respectively. Our consolidated operational revenues grew at an annual growth rate of 34.96% during Fiscal 2015 and 2014 respectively. Our consolidated net profits, as restated, were ₹ 114.79 and ₹ 133.90 in each of the Fiscals 2015 and 2014 respectively. Our consolidated net profit as restated decreased by 19.12% for the above mentioned periods.

OUR STRENGTHS

Experienced Promoters and Management Expertise

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Mr. Aslam Khan has pooled all his experience of working with big technology companies like TCS, Microsoft, Citibank and AskMe Inc. and started Octaware in 2005. He was aided by Mr. Sajid Hameed who has vast experience in setting up business, developing markets, managing customers and handling overall businesses. Further, our board of directors are supported by a team of well experienced and qualified personnel. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled *"Our Management"* beginning on page 119 of this Draft Prospectus. We believe that our management team's experience and their understanding of the IT industry, specifically in the hospitality, finance, manufacturing, education and construction industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

Long Business Experience and Established Network

Our Company has been developing products and providing services since a decade. We have long-standing relationships with customers built on our successful execution of prior engagements. Our track record of delivering robust solutions, extensive product development experience, and demonstrated industry and technology expertise has helped us in forging strong relationships with all our major customers and gaining increased business from them. Our products offering of Hospice, iOnAsset and PowerERM are very attractive to entrepreneurs and business managers for their internal projects as well as procurement teams.

Our Company believes in the policy that high customer retention should be one of its top priorities and we endeavour to derive a significant proportion of our revenue from repeat business. In Fiscal 2015, our customers included healthcare providers, construction companies, manufacturing companies, telecommunication companies and educational institutions.

To further strengthen our relationships and broaden the scope and range of services we provide to existing customers, our senior corporate executives have specific account management and relationship responsibilities. We have established strong relationships with key members of our customers' management teams. These relationships have helped us to understand better our customers' business needs and to enable us to provide effective solutions to meet these needs.

Wide range of services and products offering

We provide a broad range of services to our customers that support their software products and businesses throughout the full business life-cycle. At each stage of the business life-cycle, we offer services designed to address the customers' specific needs as businesses move from different stages of maturity. These offerings are suitable for companies of all sizes. Our services range from software development including database management, Microsoft integration and QA services, ERP and CRM implementation and Consulting Services including business analytics & transformation, information advisory, infrastructure consulting and program management. Further, we also offer various services for improvement productivity of the existing products or businesses like Mobile Solutions, RFID Solution, Cloud Services, etc. that give new and existing customers a competitive advantage. These projects are innovative with fast changing requirements and comparatively smaller in size. Our services focus, our ability to manage projects, our ability to service customers globally and our offshore delivery model makes our services offering very attractive.

In addition, we have our own product offerings that allow our customers to leverage productivity in various sections of industry like Healthcare and Manufacturing. Out of our product offering of Hospice, PowerERM and iOnAsset, the Former two products have an almost universal acceptance in any business sector. This increases our scope of customers and our ability to cater to a diversified cliental base.

International Presence

Our Company has its Registered Office and a development office in Mumbai, India and a development office in Pune, India. We also have presence in UAE through our subsidiary company and in USA through our Group Company. Besides, the above we have operations through our overseas group companies and overseas business partners giving us presence in various countries like Qatar, Saudi Arabia, Nigeria and Zimbabwe. These locations give us an international presence aiding us in servicing clients in various parts of the globe. As an IT products & service company, our international presence not only helps us in expanding our client base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide.

Our Company started its international foray with 2 major clients in USA in the year 2006 and we intend to gradually establish a base there by acquiring a substantial stake in one of our Group Companies, Octaware Technologies LLC, as our subsidiary. Also, our Company has a large number of clients in the Middle East and our Company is in the process of targeting various clients in Eastern Europe and Central Asia. We believe that we enjoy the confidence of our international customers because of our ability to extend offshore servicing, thereby assuring the customers of timely delivery and quality.

Microsoft as our Solution Partner

Microsoft is the market leader in computer software, operating systems and office based applications. We are currently a Gold Partner of Microsoft which is the highest technical partnerships offered by Microsoft. This partnership allows us to use all Microsoft applications as the base platform for our products and solutions that we provide to our clients. The main advantage of being a gold partner is that we are offered live on-site and off-site support for any technical issue that may arise in course of our operations. With the support and stability of the Microsoft platforms, we can guarantee our client a stable product, universal compatibility and easy online and offline support.

We have signed an Independent Software Vendor Royalty License and Distribution Agreement (ISVRL & DA) and also a Business and Services Agreement with Microsoft. Our Group Company, Octaware Technologies LLC,is an approved supplier in the Microsoft Preferred Supplier Program (MPSP), and has been prequalified by Microsoft's Global Procurement Group (GPG) based on our best-in-class competencies, operational excellence, industry experience and thought leadership practices.

Certifications, Awards and Accreditations

Our Company has obtained various certifications, awards and accreditations and the same have been enumerated in this chapter. These certifications provide assurances to our domestic as well as overseas customers for the quality, and timeliness of our services and products. Various international companies, government organisations and healthcare centres have strict norms for engagement of IT services and products and only companies with specific certifications are empanelled by these organisations. The CMMI Level 3 and ISO certifications, coupled with various awards by World CSR Congress, Deloitte, Stevie Awards, Red Herring and iCMG Enterprise, aid us in procuring various high profile clients across the world.

Scalable Business Model

Our business model is order driven, and comprises of optimum utilization of our existing resources, developing linkages with expertise of our development team and achieving consequent customer satisfaction. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale by venturing into different sectors where technologically advanced management is required and also by providing better products and solutions in the sectors that we already have presence in. The business scale generation is basically due to the development of new markets both international and domestic, innovation in the product range and by maintaining the consistent quality of the products and services.

OUR STRATEGIES

Expand our Current Business Relationships

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of services provided to our existing customers by continuing to build our expertise in major industries and extending our capabilities into new and emerging technologies. In addition, we intend to continue to develop better solutions and new products for industry sectors which are significantly untapped. We will also seek to support a greater portion of the full product development life-cycle of our customers by offering targeted services for each phase of the software product life cycle. We also plan to assist our customers as they deploy their products to end-users through consulting and professional services that we offer onsite. In addition, we intend to continue to build relationships with various regional companies as business partners which can provide us with better benefit by introducing local clients.

Growing our business through intellectual property capabilities

We regularly invest in the creation of new intellectual property. We will continue to focus on the main areas of innovation like process innovation and domain specific innovation. Our efforts have resulted in the development of value-added products and services including PowerERM, iOnAsset, ERP and CRM Implementation, Mobile and RFID Solutions and other technology-based components. We will continue to invest in intellectual property either to build and offer systems that establish our credibility and technical expertise in new areas or to better develop, perfect and implement our existing offerings. We also will continue to monetise our investment in intellectual property by charging a premium for our services or by licensing our proprietary software solutions to our customers. We will seek further growth by leveraging our software development capabilities through designing, developing and marketing proprietary niche software solutions in various international markets.

Expanding office space and base in Mumbai

We currently have 2 offices in Mumbai, including our registered office and a SEZ office in MIDC Seepz. With our growing business plans, we propose to acquire another office in the MIDC Seepz which is a SEZ. This new unit will provide us with additional operational convenience and also provide additional tax benefits as the proposed unit is in MIDC. For further details of the property proposed to be acquired, please refer the chapter "*Objects of the Issue*" on page 56 of this Draft Prospectus.

Partnering with global IT players for geographical growth

We will continue to build and leverage relationships across the globe with various IT companies and thus expand our global footprint. The regional companies have in-depth knowledge of the local business requirement and the product life-cycle expectancy and thus we can enter in that market with minimum or no entry barrier. This knowledge of both products and the entire product development culture helps us evolve a deep-rooted product development culture that is aligned with our customers, employees and processes. We regularly engage in discussions and network with our partners to bring each other opportunities and to assist each other to grow our businesses and enrich our respective understandings of the IT products & services industry and technical knowledge. We also intend to continue to facilitate relationships among our customers for the mutual benefit of all parties.

With our decade long history of providing products and solutions globally, we believe that there is great potential for business development in the Europe, Middle East and Asia (EMEA) region. Since we already have presence and established business partnerships in various locations in the Middle East and Asia, we intend to tap new markets in the same region. We have recently approached various potential clients and partner companies in Kyrgyzstan and intend to set-up our presence in the country. This strategy of tapping green markets required additional funds for business development, marketing and professional fees, which we intend to raise from this proposed public issue.

Focus on efficiency

Our goal is to help our customers with our products and solutions, in turn enabling them to deliver their products more efficiently. We have been building products and solution and providing services to some of the world's leading companies for more than a decade. We have innovated and customised software processes that allow us to monitor and plan the progress of software projects. We have well-trained teams, pre-built frameworks and partnerships with other product companies that allow us to integrate product components and deliver products for our customers efficiently. This helps in reducing time to market and reducing the risk of engineering failures. Our offshore delivery model helps in reducing the overall cost of product development.

DETAILS OF OUR BUSINESS

LOCATION

Our Registered Office is located at 204, Timmy Arcade, Makwana Road, Marol, Off Andheri-Kurla Road, Mumbai - 400059, Maharashtra.

Our Company has an export oriented unit set-up in the SEEPZ SEZ situated at Unit No 003, Tower II, SEEPZ++ Building, SEEPZ SEZ, Andheri – East, Mumbai – 400096, Maharashtra, which is owned by one of our subsidiary.

Further, our Company has set-up a development centre in Pune situated at C-18, 2nd floor Bramha Estate, NIBM Circle, Kondhwa, Pune – 411048 respectively.

Besides the above mentioned offices, our Company through our various business partner and group offices in USA, Qatar, UAE, Saudi Arabia, Singapore, Nigeria and Zimbabwe, carries out minor operations like local client servicing and certain marketing activities. For further details please see the section '*Conflict of Interest*' in the chapter '*Our Group Companies*' on page 135 of this Draft Prospectus.

OUR PRODUCTS AND SERVICES

Our Services

Our Company provides a comprehensive range of services for our customers across all phases of the business life-cycle. Our Company designs, develops, tests, provides quality assurance, deploys, supports and maintains software systems and solutions for our customers. Our Company also creates new custom applications, enhances the functionality of our customers' existing software products, and participates in the release of new product versions.

Our Company is committed to help our customers increase the productivity of their business. Our services are delivered through sharp and creative thinking, state-of-art development, and strict project management by our consultants. Our end-to-end solutions have an inbuilt high quality which provides the starting edge to our customers. Our team specializes in web, ecommerce, applications and systems development as well as in Microsoft platform services and database management systems.

Further, our offshore services enable our customers to build, manage and implement projects cost-effectively in a flexible environment. Our Company evaluates the needs of its customers and provides tailor made solutions to suit each business strategy, which in line with our policy "To understand the processes and implementation objectives of the business and then propose a road map to the solutions."

Major services offered by our Company include:

1. Software Development

Our Company provides a wide array of software solutions to the vital and indicative business domains. Our software development services are based on an accurately built and matured Software Development Life Cycle. Our Company offers our clients a vast spectrum of software development services like Application Development for website, enhancement, migration and internet/intranet, Database management, Microsoft Platform Services, E-Commerce application services and QA Services.

2. Enterprise Portal

Our Company has established portal solutions for organisations that are looking forward to expand their scope with the growing trends of globalisation. Our Company believes that a portal solution serves as a centre-point for a group of users and is a platform to ensure secure, sage, scalable & flexible system for growing organisation needs. Our Company believes a good portal involves an appropriate integration of design and content in conjunction with other features such as single sign-on, personalization and collaboration. A well designed portal provides benefits like easy and fast information for users, raised efficiency, optimum functionality of applications, etc.

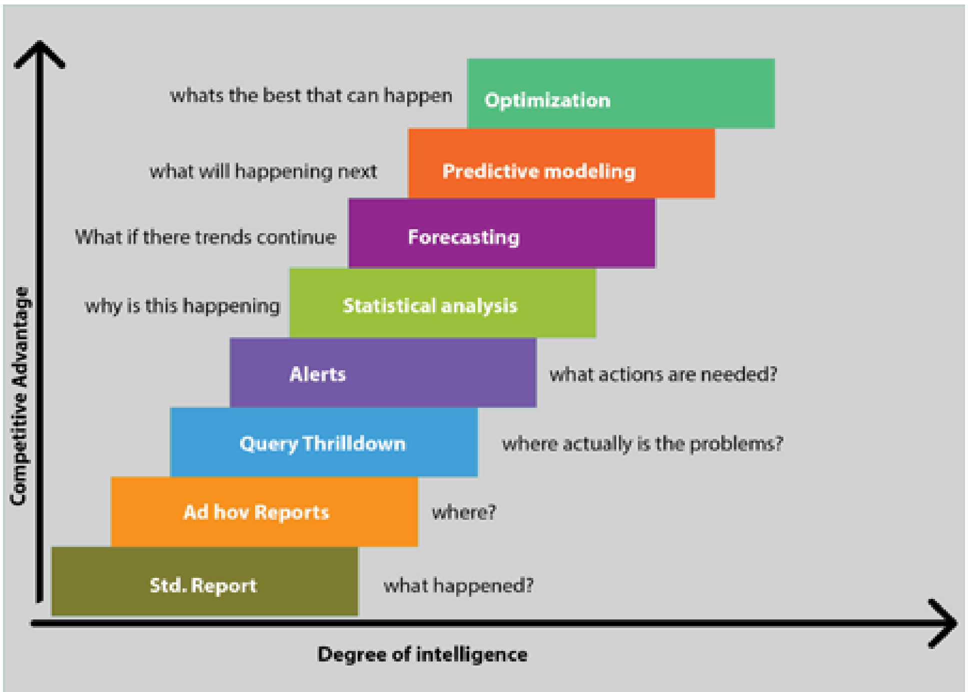
3. ERP & CRM Implementation

An Enterprise Resource Planning (ERP) implementation is the need of today's technology and business areas. ERP solutions help in automating the business activities and speed up the transactions across the organizations. Our Company is aware of the need of the hour, and therefore has arranged services for providing efficient and customized ERP solutions implementation. With our proven approach we help our clients towards selecting and implementing ERP as aligned with their competitive business goals. Our Company not only provides the facility of ERP outsourcing to our clients but also provides them with solutions for the entire ERP development and implementation life cycle. A high-quality ERP solution is the best possible way to facilitate decision making, integrating the different business functions, bridging gap between the demand and service, increasing efficiency, etc.

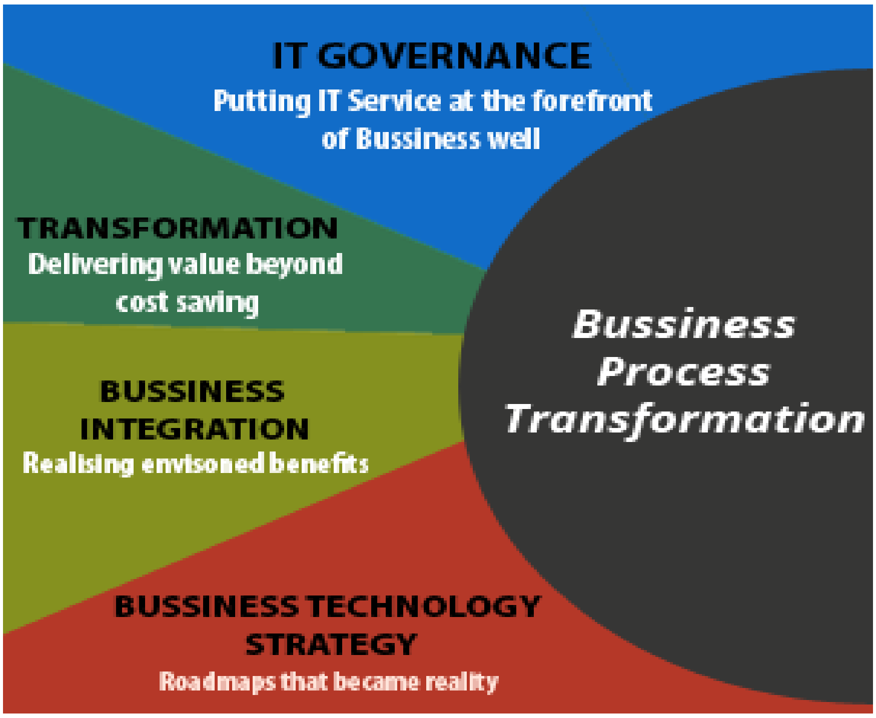
4. Consulting Services

We provide the following range of Consulting Services:

i. *Business Analytics:* Our Company provides analytical services by compiling data from every activity, project, product or service generated by our clients giving information for better business intelligence and business performance management.

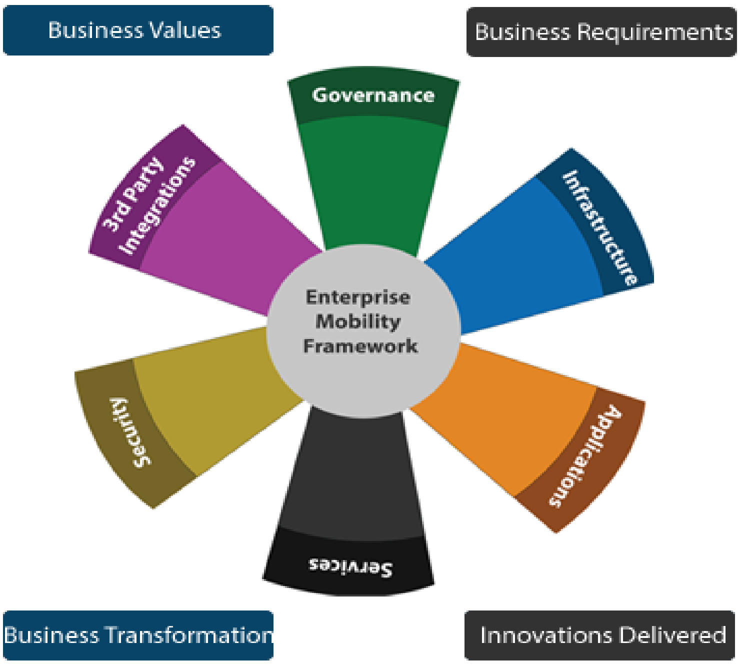


ii. *Business Process Transformation:* Our Company provides business process improvement initiatives that help new forms of collaboration, new ways of collecting and sharing information, and even new ways of thinking about that information.



iii. *CIO Advisory Services:* The purview of a CIO today is more demanding for creating a competitive advantage, new products and new services.

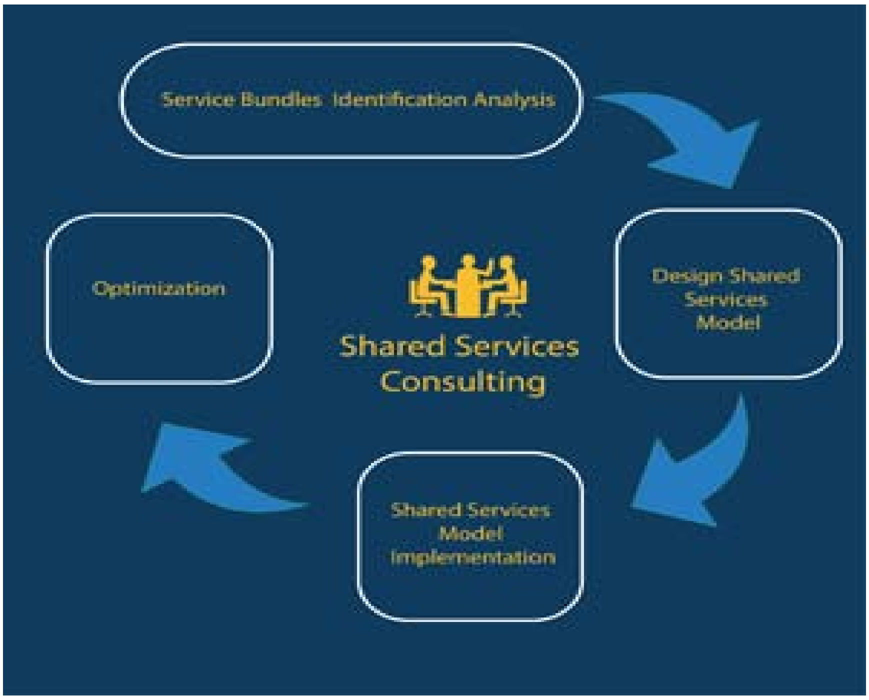
iv. *Enterprise Mobility Consulting:* Our Enterprise Mobility Consultants provide services for Mobile Strategy Formulation & Implementation and help our clients to develop mobility business strategies, mobility technology plans and design mobility solutions to drive additional enterprise and customer value.



v. IT Infrastructure Consulting Services: Our Company has developed an in-depth industry knowledge and technical expertise to provide its clients with a comprehensive set of IT infrastructure consulting services to meet the business objectives. Our Company provides various IT infrastructure consulting services like Infrastructure Strategy, Infrastructure Design, Remote Infrastructure Management, Cloud Services, CIO on-demand services and Stakeholders imperative.

vi. Shared Services Consulting – BPO & Contact Centre: Our Company offers services to organisations for choosing the best and most effective Shared Services model by employing methodologies like Service

Bundles Identification Analysis, Design Shared Services Model, Shared Services Model Implementation, Optimization and Costing Model.



5. Mobile Solutions

Our Company provides complete end to end mobile solutions for a wide range of industries. Our core strength on Microsoft and Java technologies helps us in gaining edge over our competitors for coming up with best solutions to customers need on Mobile solutions.

Our Mobile Solution competency team has expertise in handling projects on Mobile/Wireless domain for various platforms like Windows Phone 7 / 8 / 8.1, XNA for Windows Phone, iPhone / iPad, Android and JavaME. Over the years, we have developed domain expertise in Enterprise Mobility, Mobile Education, Location-based Solutions, Mobile Entertainment, Mobile Commerce, Mobile Social Networking, Mobile Payment, Media Streaming, Field Force Management, Mobile Healthcare and Consumer Mobility. We have worked and developed various mobile solutions like mCommerce Application, Mobile Banking, Trading on Mobile, eBook Solutions and Porting Legacy Applications to Mobile Platform.

6. RFID Solutions

Our Company works on enterprise business solutions using RFID technology for Pharmaceuticals, Retail, Asset, Logistics and Supply Chain Management. Our Company provides complete end-to-end RFID solutions automating the entire business process and application area. Our RFID service offerings include Project Management, RFID Site Surveys, RFID Solutions Architecture, RFID Component Specifications, RFID Hardware, Software, and Solution Acquisition, RFID Solution Staging, Custom Software Development, Systems Integration, Technical and End-User Training, Help Desk and Support, Maintenance, and Enhancement services.

7. Geospatial Services

Our Company provides strategic consulting and implementation services for GIS Solutions to various verticals ranging from Government, Oil & Gas, Utilities, etc. Our team of experts have in-depth proficiency with GIS applications on multiple platforms like ArcGIS, QGIS, Grass GIS, etc. We provide GIS services to our clients such as Enterprise GIS, Environmental GIS, Scientific GIS Analysis, Mobile GIS Application Development, Private Cloud-based GIS deployments, Geo-coding and Data conversions.

Our Products and Solutions

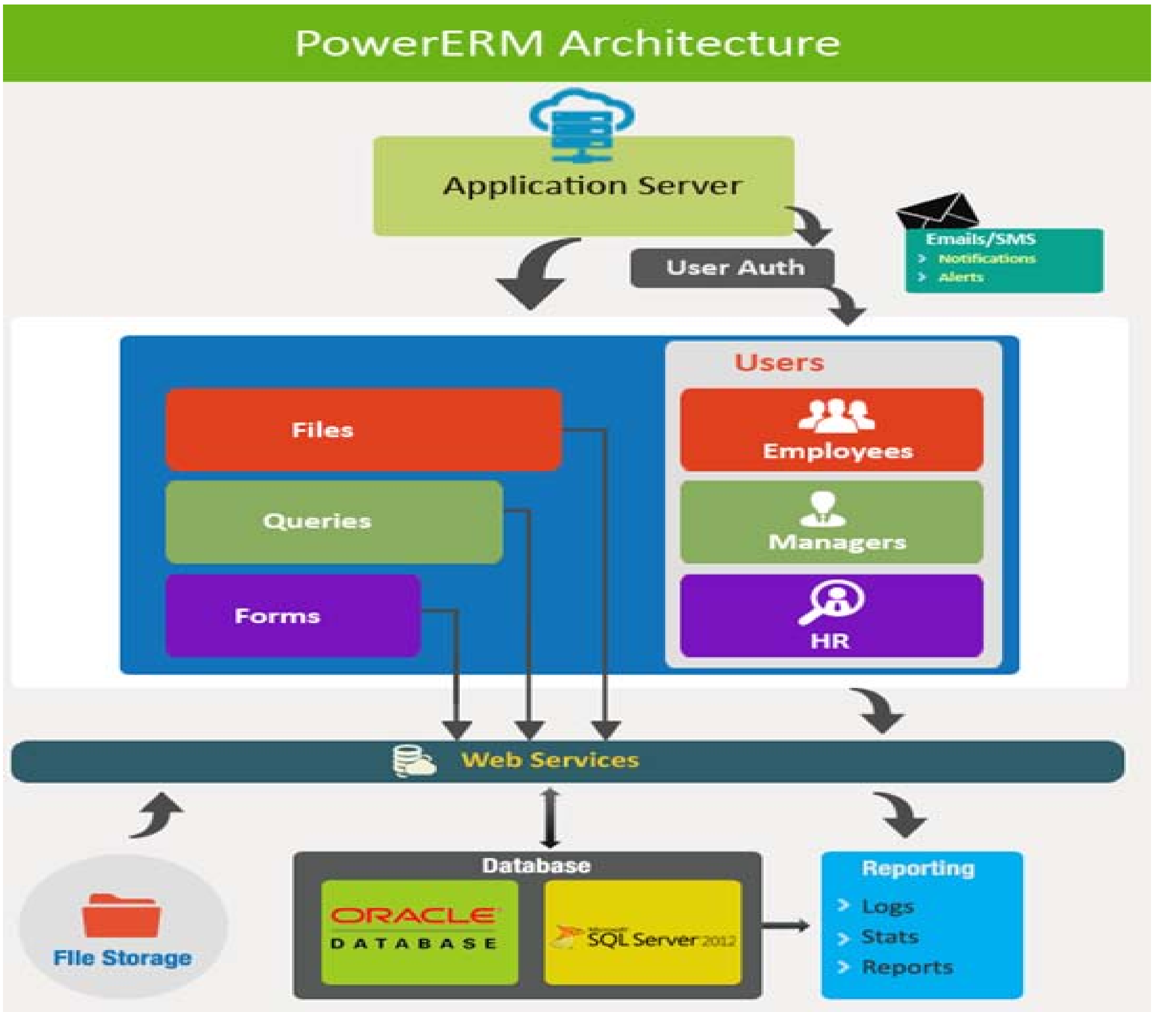
Our Company has developed various products and solutions to bring in agility and efficiency in affordable range. These products and solutions help the clients converge in strategizing for the competitive business objectives.

Products

1. PowerERM

Our Company has developed a next generation employee relationship management (ERM) application which represents a productivity boost opportunity for small to medium businesses. The PowerERM is a company-wide ERM software package used to manage and coordinate all the employees function from hiring to separation including the recruitment and training functionalities. The PowerERM is built on Microsoft .Net web platform and has an enterprise wide reach that offers cross-functional capabilities to the organization. The different functional departments involved in the operations or processes are integrated into a single system. This system takes care of the business processes such as recruitment, training, employee self service (leave, reimbursement, travel, visa), loan, appraisal, eNews, Payroll and separation of employee. The product is a role based with features to deploy multiple geographic location and currency.

The PowerERM provides a huge and a comprehensive range of features like Web Based Employee Relationship Management System, Employee Information, Leave Management, Travel Management, Training Management, Attendance System, Attendance with RFID integration, Payroll System, Appraisal System, Grievances, Loan/Advance Management, Time Sheet Management, Project Management & Tracking, Reimbursement System, VISA Management, Rejoining System, Separation / Exit, Delegation and Company News. PowerERM also provides numerous valuable business intelligence reports for HR team, Managers and employees. The following diagram explains the detailed functionality of the PowerERM.



Case Study

Integrated Networks LLC (INET) is a private organization found in 2001, headquartered in Riyadh, Saudi Arabia with branch offices located in Jeddah and Al Khobar. The company provides differentiated managed services to efficiently use the ever changing Information & Communication Technology (ICT) services. The attendance system at INET was traditionally maintained in the muster registers. Also, the leave system was managed manually. Further, records for social insurances of employees like General Organization for Social Insurance (GOSI) had to be maintained on Excel spreadsheets. This resulted in time consuming HR processing for salaries at the end of month. Further, their offices being at various locations in Saudi Arabia had decentralized system of HR reports generation. There was no automated process of recording employee information. INET thus, required an automated process for managing its HR processes which will incorporate full set of features and at the same time, have software which will have easy-to-use functionality for its not-so-savvy computer users.

PowerERM was implemented at INET and it had all the human resource functionality including employee self-service portal, attendance system, and appraisal system. Saudi Labour Law states that as an employee of any company in Saudi Arabia, he is entitled to End of Service Benefits (ESB). In compliance with Saudi Labour Law, PowerERM was customized for INET to calculate ESB. PowerERM being a web-based application can be accessed from anywhere, anytime. This meant that previously decentralized reporting system of HR was made unified at the head office of INET. The easy to-use features let its users manage the system without any hassles.

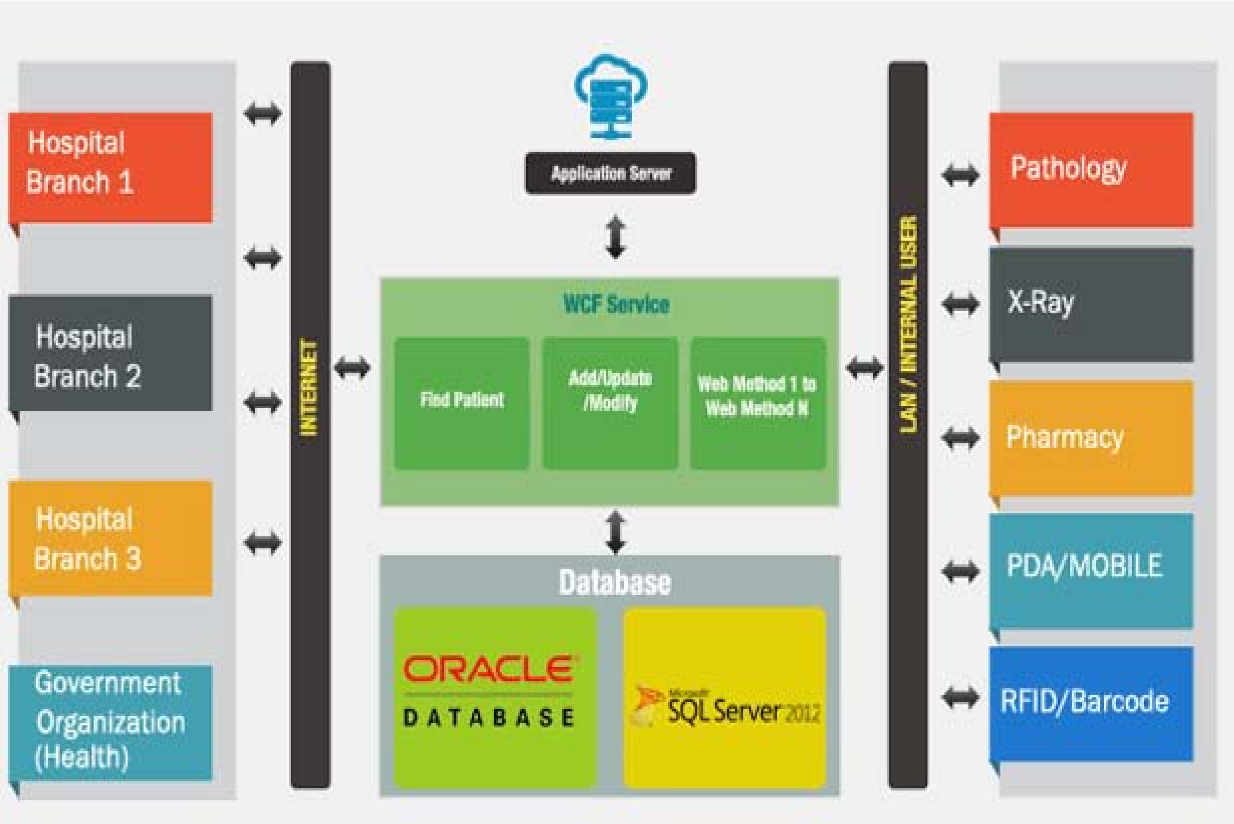
2. HOSPICE

With the tremendous change in the health care concept of the people across the globe, which has led to higher expectations and an increased demand for high quality medical care and facilities, our product is a well suited requirement for every health care institution.

HOSPICE is a Hospital Information Management System (HIMS) is developed with the knowledge that an efficient hospital management system management is the one that requires being precise and cost-effective at the same time. It also provides relevant information across the hospital to support effective decision making for patient care, hospital administration and critical financial accounting, in a seamless flow.

HOSPICE endeavours to achieve a balanced health care software solution as there are a number of stakeholders involved *viz.*, Patients, Operators, Bystanders, Reviewers, Auditors & Medical practitioners. Furthermore, while going for a Hospital Management System, the technology used should be secure, interoperable, manageable, scalable and reliable.

The HOSPICE provides a comprehensive range of features like Web-based Application, Clinical focus on Electronic Medical Record (EMR), Superior Reporting for various medical and administrative reports, Simple and Clear Layout with rich and enhanced GUI, Integration with Third Party Applications such as (i) Picture Archival & Communications System (PACS) for imaging solutions; (ii) Laboratory Analyzers; (iii) Barcode and RFID; (iv) Document Management System; (v) Palmtop, PDA, Handheld devices and Digital Pads; (vi) Speech Recognition Software; (vii) EPABX System; and (viii) Smart Card, Improved Security and User control, Technology Enablers for access by different platforms such as Microsoft Platform, Tablet PC, Multi-Touch Computing and Mobile Application Development. The following diagram explains the detailed functionality of the HOSPICE.



Case Study

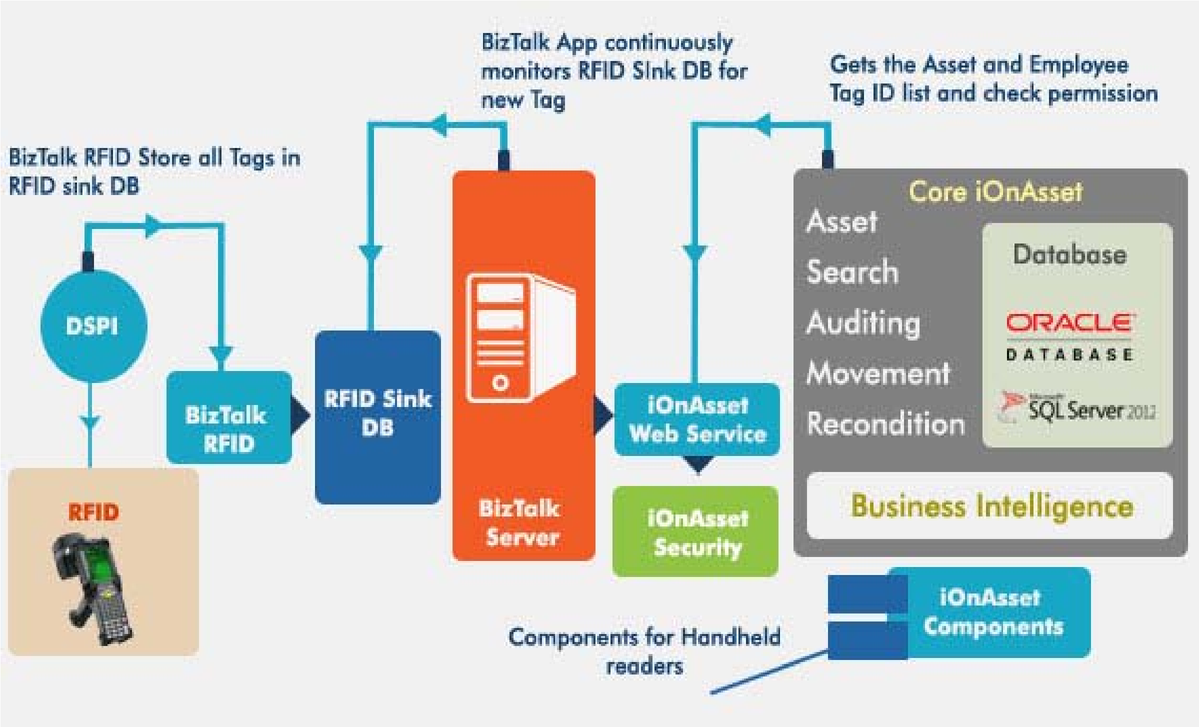
SAI Hospital is a Healthcare organization based in Mumbai, India. The organization provides patient care and Quality diagnostic healthcare services through its three branches. The client was looking for new methods to improve patient care and enhance operational efficiency at the hospital with optimal usage of HIMS. The current system of updating and monitoring patient's records through paper based system reduced the productivity. Likewise migrating paperwork into a centralized repository was time consuming and required additional resources.

Our Company proposed a web based HIMS – HOSPICE, which proved beneficial to the various teams of the clients *viz.*, physicians, patients and caregivers. The HOSPICE provided the benefits of streamlined operations, enhanced administration and control, improved response to patient care, cost control, and improved profitability. Since each hospital is unique in terms of its requirements and priorities, flexibility was built into the HOSPICE to allow easy customization. The HOSPICE features provided unparalleled flexibility & scalability, comprehensive report types, easy customization, intuitive visuals and interactive graphics that simplify complex data, dashboards-supported quality initiatives and comprehensive drill down capabilities.

3. iOnAsset

iOnAsset is a web based Asset Tracking and Management System (ATMS). It has the ability of end to end asset management and smooth tracking of every individual asset. The administrator can control all the assets from his desk, can manage every individual asset in an organization and can smartly identify the movement of every individual asset. It uses tagging mechanism i.e. every asset is attached with a RFID Tag/Barcode. It also tracks the history of asset movement, asset allocation (check-in & check-out), including their current location, past location and movements throughout the facility i.e. at all times. Further, it also calculates depreciation of Assets and Asset expiry process.

The iOnAsset has been developed with various features like Web Based Asset Management, Offline Asset Inventory through RFID/Barcode handheld reader, Asset Auditing, Reconciliation, Check-in/Check-out, Asset Movement Tracking, Asset Security, Automated Asset Search and Import Inventory Data. The iOnAsset provides the users with timely Business Intelligence Report and can be programmed with Multilingual Support for any language. The following diagram explains the detailed functionality of the iOnAsset.



Case Study

Our Client helps international banking / insurance firms and other financial services organization to grow. They purchased and redistributed assets like computer, laptop, and other assets within the organization. The client had been confronted with the challenge to identify and locate assets within the organization. They were struggling with monitoring asset movement as they relied on sheets and lists. This method proved ineffective since logging and updating the information associated with each asset was tedious and error-prone.

Our Company provided the client with barcode and web-based ATMS – iOnAsset that fitted their needs. Our product enabled the organization to uniquely tag their assets with the barcode and track their allocation and movement. iOnAsset automated asset-related transaction and record keeping by simply scanning barcodes. Our solution helped them to virtually track any asset, of any size from furniture to IT equipments and also enabled the user to access the data in a centralized database as required.

Solutions

1. RealWin

RealWin is a real-estate management application that allows our clients to track both the customer interactions and property availability in one place. The integration with mapping components like Bing and Google maps help the users navigate the properties by selecting the areas of interest along with filtered based search. This unique search capability gives up-to-the-minute matching of properties and requirements. RealWin also allows the client to turn leads into sales quickly and efficiently by assessing the teams' performance, conversion rates and responsiveness to customer enquiries. By providing real-time pricing and inventory information, CRM Elements for Real Estate allows the client to optimize prices, maximize profits, and capture potential lost revenues. With RealWin the user can view the entire inventory from a single page, adjust prices based on email alerts triggered by sales thresholds, manage complex pricing models, track multiple buyer opportunities and manage multiple prices for multiple buyers on a single unit.

Other features of RealWin include Agreement Generation, Phone Calls Tracking, SMS Alerts and generation of Business Intelligence Reports.

2. Life2Care

Life2Care is a Patient Relationship Management System (PRMS) which refers to a product to bridge the relationship between patients, doctors and hospital management. This helps in getting good service and attention by the individual patients and business growth for the hospitals. The easy record management features of PRMS are the strong points of this solution. Records can be maintained, access and shared easily and support various different storage formats.

The Map integration, SMS alerts, Voice/Video records, Picture gallery, Case Coordination/Referrals, Vaccination Scheduling, Tracking insurance details, Payment Authorization & Processing and Bill generation for services and tests are few of the moist productive features of this product.

3. eDocNet

eDocNet is an Enterprise Content and Document Management System (ECDMS) solution utilizing Microsoft SharePoint 2013 with some of the key features like Document Workflow, Document-Auto Feeder Scan, Document Search/Retrieval, Document fax-integration as readily available. Organization can save time and cost by using a pre-built product and jump start their Data Management System (DMS) and Content management needs.

eDocNet also provides extensive and easy Content management. Clients are able to update the information and approve the workflow requests as required. Thus it increases business productivity and web content will always be current as the business executives can publish the content themselves using simpler user interface and navigation and they do not have to depend on any technical administrator to publish the same. eDocNet is feature packed solution offering easy access and it supports all major file types like .doc/.xls/.docx /.xlsx /.pdf /.dwg /P3, etc. giving it a universal reach.

4. eQuire

Our eQuire Office Automation & eProcurement solution is designed to save money and time while protecting the important business information. Companies which do not need to store paper records or hand written order forms and other information needed to do business as they are tedious, less cost effective to maintain and run the risk of wear and tear. Our solution makes it easier to run the business without the need for so much paper, and this is applicable to any size and nature of business.

eQuire comprises of two modules, *viz*, eQuire Office Automation System which enables to effortlessly manage the employees, time and processes through features like Expense claim form, Airport facilities, Employees Income Tax service, Health Insurances, etc.; and eQuire Procurement Management System which provides online collaboration and negotiation tools and intelligence to achieve cost savings and obtain more value through strategy development, supplier identification, supplier information & bid solicitation, negotiations, implementation, monitoring and evaluation.

OUR CLIENT BASE

Our cliental base constitute customers of diverse sectors encompassing various industries like Healthcare, Education, Telecom, Oil & Gas, Real Estate & Construction, Banking & Financial Services and Manufacturing sectors.

Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing high quality services and cross-selling new services. Our quality standards, unflinching efforts for punctual order completions and our unmatched overall service have resulted in significant recurring revenue from existing customers and also enabled us to garner clients who are some of the leading banking, financial, healthcare, manufacturing, education and telecommunication names in India and abroad.

We believe that our current capabilities and plans for the future ensure that we are well positioned to attract and develop new customer relationships. Business from new customers is accepted upon consideration of factors such as alignment of capabilities and customer expectation, volume of business and future business, potential for close partnership with long-term association, and an analysis of upfront costs.

The following table illustrates the concentration of our revenues among our top customers

(₹ in lakhs)

Particular	FY 2015		FY 2014		FY 2013	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Top 5 customers	244.64	74.54%	250.33	81.57%	280.22	93.67%

Top 10 customers	293.93	89.56%	302.64	98.62%	296.27	99.03%

We have developed a long standing relationship with our clients which include companies like, Microsoft, Pitney Bowes, Copernicus Consulting, Integrated Networks, VOIP Connection, Sai Hospital, Essel Propack and Tech Mahindra among others. Further, we continuously endeavour to increase our cliental base and have a dedicated marketing team at several of our Indian and overseas offices for client acquisition.

Geographic Concentration

At present, the Middle East Asia region is the single largest market for software products and services in the world and remains our largest customer concentration. In the past 3 years, we have worked with customers across the globe in regions of Middle East, Other Asia, USA and Canada.

(₹ in lakhs)

Particular	FY 2015		FY 2014		FY 2013	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Middle East Asia[1]	149.94	49.39%	167.08	55.95%	241.69	82.21%
Rest of Asia	88.76	29.24%	91.11	30.51%	38.53	13.11%
USA & Canada	64.91	21.38%	40.42	13.54%	13.75	4.68%

[1] Middle East region includes UAE, Saudi Arabia and Qatar.

HUMAN RESOURCES

We believe that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As of October 31, 2015, we have 54 employees (including those under contractual employment with the Company and our subsidiaries as well as our trainees) including over 35 software professionals. We predominantly operate in 2 major cities in India and also in the Middle East, which enables us to recruit technology professionals from different parts of the country and abroad. The key elements of our people management strategy include:

Recruitment (talent acquisition) and training

Our talent acquisition philosophy is to recruit for attitude, train for skill and develop for leadership roles. Our Company is committed to helping our employees (including fresher) develop and grow through our Certificate Reimbursement Program (Microsoft), where the employees are provided an opportunity to Microsoft certifications in various skills and technologies. Besides, for trainees while on the job, we have about four (4) hours of training sessions per month for all our employees through our Training and Development programs, which include training and knowledge sharing sessions by various industry experts. Our Company tracks the effectiveness of the training programs by conducting surveys within the organisation. Our training initiatives provide us with a pool of qualified employees, which in turn affords us the flexibility to ramp-up resources to meet the demands of particular projects and to redeploy our personnel across projects according to our business needs.

We have a tie-up with The Strategy Academy, Kolkata (TSA) which provides a platform for all our employees to upgrade their educational qualifications by taking up online PGDM or MBA programs, accredited by AICTE.

Retention

Our human resources and compensation practices proactively address the factors that impact retention. These practices include: regular salary reviews, skill & performance related bonuses and established procedures. Our comprehensive Rewards and Recognitions programs honour both individuals and teams who go the extra mile to contribute to organisational growth. These programs and opportunities help to ensure that our employees are motivated and performance oriented.

Culture: high performance and high caring

Our Company focuses on performance management rather than just reviewing performance though performance appraisals, providing opportunity to our employees to relax and refresh. Our Company organises gatherings on the last day of every month for Fun and Games called “Happy Hours” and also organises an “Annual Gathering” with entire Company team to some well-known resort. This helps build camaraderie between the members.

Our Company believes in encouraging Employee Survey / Feedback Programs for gathering invaluable feedbacks or opinions from employees to improve the workplace by actively seeking out current levels of employee satisfaction and gather their feedback. Further, our Company launches various initiatives for Promoting Ideas / Innovation / Entrepreneurship Development to encourage people to come up with creative ideas and innovations. Our Company selects the top idea and helps in building the product / application and providing the ownership of the same to the idea giver.

Our Company also initiates various talent identification and grooming programs based on performance, thus identifying top/star performers with a potential for growth by setting up Face-Time with the Company management every quarter.

Compensation

Our software professionals currently receive salaries and benefits, which we believe are competitive in the industry. Additionally, we may in the future grant stock options to our employees as part of rewarding them for their performance and loyalty.

The Company as on October 31, 2015 employs 24 personnel for our management, administration, development and other technical operations:

Category	No. of employees
Executive Directors	2
Key Managerial Personnel	6
Managers / Developers / QA technicians / Support Staff	16

For details on our executive directors and key managerial personnel, kindly refer to the Chapter titled "*Our Management*" beginning on page 119 of this Draft Prospectus.

EXPORT AND EXPORT OBLIGATIONS

Our Export sales for the last 3 financial years are as mentioned below:

(₹ in lakhs)

Particulars	For year ended March 31,		
	2015	2014	2013
Export Sales	303.61	298.60	293.97
% of Total Sales	92.51	97.30	98.27

There are no Export Obligations as on date of this Draft Prospectus.

COLLABORATIONS

We have not entered into any technical or other collaboration.

COMPETITION

The market for IT Products and Services is both, highly competitive and rapidly evolving. It has evolved into a consolidated global industry and we face competition both in the domestic as well as the export markets. We primarily face competition from the small and large Indian IT services companies as well as international technology services companies which offer broad-based services, offshore captive centres of global corporations and technology firms. We anticipate this competition to continue to grow as the demand for these services increases and we also expect additional companies to enter the Indian market. We expect that further competition will increase and potentially include firms in countries with lower personnel costs than those prevailing in India.

Further, Clients that presently outsource a significant proportion of their IT service requirements to vendors in India may seek to reduce their dependence on one country and outsource work to other offshore destinations such as China, Russia and Eastern European countries. Also, many countries have the advantage of being located in proximity to our main export markets of American and European countries. We also face competition from other countries mainly in US and European countries that have advanced technology and ability to cater to large scale businesses in different parts of the world.

We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products.

SALES AND MARKETING SETUP

We are a software development and consulting firm having development offices in Mumbai & Pune and business operations and presence in various countries like UAE, Qatar, Saudi Arabia, Singapore, Nigeria, Zimbabwe, USA, etc. In the domestic market we generally adopt direct marketing approach.

For our overseas clients, though we follow a direct marketing approach in some cases, majority of our clients are our business partners, which are local companies, with whom we collaborate for various projects, either through our Company, our subsidiary or our Group Company.

Qatar

Our main business partners here is GETP - a regional leader in providing diversified services in software development, enterprise solutions, supply/implementation/customization of software products, consulting and professional services etc.

UAE

Our main business partners here are Metadata - a regional leader in CRM solution with decade of experience specialized in CRM implementation in terms of software, consultancy services and training; and Intertec Systems – a leading IT systems integrator and solution provider with strong market credibility with its customers, employees and partners.

Saudi Arabia

Our major business partners in Saudi Arabia are Integrated Networks Company Ltd. (INet) - a network solutions provider delivering cost-effective, value-added products; and Practical Solutions - a multi-disciplinary consultancy firm offering in Project management, software development and media monitoring services.

Singapore

Our major business partners in Singapore are Pitney Bowes - a global technology company offering products and solutions in the areas of customer information management, location intelligence, customer engagement, shipping and mailing, and global ecommerce; Copernicus Consulting – a consulting and IT solutions company providing business solutions to various sectors; and Pelican Brown – a firm working with a special focus into Banking, Financial Services, Insurance and Healthcare Technology and Operations.

Nigeria

Our main partner in Nigeria is Management Information Systems Company Ltd (MIS) – a conglomerate and one of the foremost Nigerian ICT, B2B and Systems Integration companies with over two decades of track record.

Zimbabwe

Our main partner in Zimbabwe is Hagadol IT – a firm specialising in Custom software development, Technology Consulting Services and off-the-shelf software sales.

Besides, the above, we are in process of exploring new geographical avenues and garnering new partnerships. We have recently began talk with various companies in Kyrgyzstan and other such locations.

PROPERTIES / LAND DETAILS

Our company operates from the following properties:

Tenancy

Sr. No.	Name of Licensee	Name of the Licensor	Premises Leased and Tenure	Amount of Rent and Security Deposit	Purpose
1.	Octaware Information Technologies Pvt. Ltd ("OIT")	Maharashtra Industrial Development Corporation (MIDC)	Premises bearing Unit No. 003, Tower – II, SEEPZ++ Building, SEEPZ SEZ, Andheri – East, Mumbai – 400 096 admeasuring 2,108.96 sq. ft. on lease for a period of 95 years from the date of possession.	Rent of ₹ 100 per month + service charges ₹ 180 per sq. mtr. per annum One time 100% premium amount being ₹ 1,58,38,290[(1)]	Development and SEZ Office

[(1)] The one time premium of ₹ 158.38 lakhs had been paid to MIDC by our Company on behalf of OIT. Subsequently 15,83,829 equity shares of OIT have been issued to our Company against conversion of these credits and OIT is currently our 99% subsidiary.
[(2)] OIT has signed a Bond-cum-Legal Undertaking dated December 11, 2014 with MIDC for the SEZ unit under a Bond amount of ₹ 37.49 lakhs.

Leasehold Property

Sr. No.	Name of the Licensor	Premises Leased and area	Term of the Lease	Amount of Rent and Security Deposit	Purpose
1.	Mrs. Rehana A. Khan	Office premises bearing No. 204, 2nd floor, Timmy Arcade, Makwana Road, Marol, Andheri (E) Mumbai – 400 059	December 01, 2015 to November 30, 2018	Rent: ₹ 50,000/ - per month Security Deposit: Nil	Registered Office

Note:
Our Company also occupies an office at C/18, 2nd Floor, Brahman Estate, NIBM Circle, Kondwa, Pune – 411 048 for development purposes which is owned by our promoter Group, Mrs. Nazia Hameed (Wife of our Promoter, Mr. Sajid Hameed). The original rent agreement between us and the owner has expired, however, we continue to occupy and operate from the said property on the basis the terms & conditions as per the original rent agreement. For further details, please refer the chapter Risk Factors on page 9 of this Draft Prospectus.

INTELLECTUAL PROPERTY

We have registered the "Octaware" trademark – "OCTAWARE The Bridge To Productivity" – under class 42 of the Trade Marks Act, 1999 as on July 26, 2013 vide registration certificate dated May 18, 2015 having trademark registration no. 2570704.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The philosophy of CSR is incorporated in our vision itself, which reads as – "To serve, add value and create growth for individuals, businesses and entities to become self-sustained and an active contributor to global development", We believe that our responsibility is not just towards our stake holders (both internal & external) but also towards the entire society. From responsive activities to sustainable initiatives, we intend to make a significant difference in the society and improve the overall quality of life. Our various CSR initiatives are as enumerated below:

SAARTHI School for Special Children

We estimate over 700 million children in India with developmental disabilities and over 8,50,000 in Mumbai alone. The quantity of care for such children is very limited, and even when it exists, the quality is variable. SAARTHI School for Special Children, a Non-profit organization supported by Octaware Technologies Ltd. under its Corporate Social Responsibility provides academic, vocational, medical and psychological support to the exceptional children.

Scientific Research with Indian Institute of Technology, Bombay

Octaware has done Angel Funding to a start-up venture TRANSPACT® which aspires to provide integrated physiotherapy solution to the exceptional children, old age group and temporary disabled of all sections of society, utilizing its research and development fund. The objective is to conduct research, design and develop a vestibular device for automating the physiotherapy required for cerebral palsy kids, initially for SAARTHI School for Special Children and later upon successful trial, introduce this device in the market for all child development centres, physiotherapy centres, hospitals and individuals.

The Research, Prototype and Development would be done by IIT Bombay, IDC division and further testing and stabilization of the Vestibular device would be done on the cerebral palsy kids of SAARTHI School for Special Children. The vestibular device will accelerate the recovery by 5 times and since no such device exists in the market, it has great opportunity of contributing towards the upliftment of this segment of the society.

National Association for the Blind (NABET) Projects

Our Company has initiated various CSR activities under the National Association for the Blind Employment & Training (NABET) by providing Training & Employment in the field of Software Manual Testing. This initiative provides training for visually impaired people who have completed their studies and seeking a job. Main goal of this course is to make the candidate employable by providing manual software testing knowledge and making them efficient in using computers and carrying out quality assurance job independently. Further, introductory courses in software testing and internet based applications has been pivotal in creating employment many visually challenged people. Our Company is also working in association with NASSCOM and NABET to build a Hotel & Spa booking project for employability of the visually challenged.

NASSCOM Foundation

Our Company has been an active participant in various NASSCOM Foundation initiatives over a period of time. Be it working on CRM software for NGOs or a Microsoft SharePoint based Event Management solution on a very nominal rate to facilitating various events in association with NASSCOM Foundation, our Company has always shown keen interest in social service initiatives. As part of our spirit of contributing towards the social cause for the benefit of the society, our Company had conducted a workshop on Program Management for the NGO under its “BRing the Change” celebration.

Cancer-Aid Project

One of our unique initiatives for corporate social responsibility was launching Cancer-Aid project partnering with RIDA Foundation, Mumbai to provide financial assistance to the needy cancer patients for their treatment and purchase of medicines by utilizing the received interest accrued due to using the bank facility out of business need.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of the Information Technology Industry. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please refer to the chapter on "Government and other Key Approvals".

INDUSTRY-SPECIFIC REGULATIONS

Information Technology Act, 2000 ("the IT Act")

The IT Act was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cybercrimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. The IT Act regulates Information Technology i.e. it governs information storage, processing and communication. The Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cybercrimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act, 1957 ("**Copyright Act**") protects original literary, dramatic, musical and artistic works, Cinematographic films and sound recordings from unauthorized use of such works. Unlike the case with patents, copyright protects the expressions and not the ideas. There is no copyright in an idea. The object of copyright law is to encourage authors, artists and composers to create original works by rewarding them with exclusive right for a fixed period to reproduce the works for commercial exploitation. Copyrights subsist in following class of works:

a) Original literary, musical, dramatic and artistic works
b) Cinematograph films
c) Sound recordings

Under the copyright law the creator of the original expression in a work is its author who is vested with a set of exclusive rights with respect to the use and exploitation of the work. The author is also the owner of the copyright, unless there is a written agreement by which the author assigns the copyright to another person or entity, such as a publisher, where work is done under a 'work for hire' agreement, the copyright vests with the hirer, i.e., the person providing the work. The owner of copyright in a work can assign or license his copyright to any person, such as publisher, under a written agreement. Copyright subsists in a work since the time it comes into being. Therefore, registration of copyright neither creates any rights nor precludes enforcement of the existing ones. However, owing to its evidentiary value, a registered copyright is easier to establish in the court of law. The term of copyright varies across different types of works. Therefore, except as specifically provided in the Copyright Act, a copyright shall subsist in any literary, dramatic, musical or artistic work (other than a photograph) published within the lifetime of the author until 60 (sixty) years from the beginning of the calendar year next following the year in which the author dies.

Maharashtra's Information Technology / Information Technology Enabled Services Policy (IT / ITES) - 2015 ("IT/ITES Policy")

The Maharashtra IT/ITES Policy 2015sets out major drivers that will enable growth of the sector across the State. Salient features of the policy have been enumerated below:

a. To retain Maharashtra's leadership position in IT/ITES Sector within the country.
b. To further accelerate investment flow to industrially underdeveloped regions of the state.
c. To create more employment opportunities for educated youths of all sections of the society across all regions.
d. Achieving higher level of export turnover resulting in enhanced productivity and augmentation of Gross State Domestic Product (GSDP).

e. Leveraging information technology as a tool for the socio- economic development of the State.

The Maharashtra Shops and Establishments Act, 1948

The Company has its registered office at204, Timmy Arcade, Makwana Road, Marol, Off KurlaAndheri Road, Mumbai, Maharashtra – 400072 and Research and Development Centre at C2/19, 2nd floor Bramha Estate, NIBM Circle, Kondhwa Pune - 411048, India. Accordingly the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to the Company. The provisions of the Maharashtra Shops and Establishments Act, 1948 regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

LABOUR LAWS

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000/- (Rupees Ten Lakhs Only) for an employee.

The following rules are applicable to the Company:

Payment of Gratuity (Maharashtra) Rules, 1972

The Minimum Wages Act, 1948 ("MWA Act")

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

The following rules are applicable to the Company:

Maharashtra Minimum Wages Rules, 1963

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory and every other establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto 6 (six) months or a fine up to ₹ 1,000/- (Rupees One Thousand Only) or both.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter-alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes 1 (one) or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/- (Rupees Fifty Thousand Only).

TAX RELATED LEGISLATIONS

The Central Sales Tax Act, 1956 ("CST Act")

The Central Sales tax is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the CST Act. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

Value Added Tax ("VAT")

Value Added tax is a system of multi-point levies 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 the Sales Tax Officer of the respective State.

The following Act and rules are applicable to the Company:

Maharashtra Value Added Tax Act, 2002,
Maharashtra Value Added Tax Rules, 2005.

Income-tax Act, 1961 ("IT Act")

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

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assesse is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assesse is required to file the quarterly return electronically.

Professional Tax

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 tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. 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.

Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 ("Professional Tax Act")

The Professional Tax Act aims to provide for the levy and collection of a tax on professions for the benefit of the State. The tax payable under the Professional Tax Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such person, be liable to pay tax on behalf of all such persons. The Professional Tax Act inter-alia requires every employer liable to pay tax under theProfessional Tax Act to obtain a certificate of registration from the prescribed authority. TheProfessional Tax Act also inter-alia requires every person liable to pay tax under the Professional Tax Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), to obtain a certificate of enrolment from the prescribed authority.

OTHER REGULATIONS

Transfer of Property Act, 1882 ("T.P. Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908 ("Registration Act")

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899 ("Stamp Act")

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act,1899 which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

Maharashtra Stamp Act, 1958

The Maharashtra Stamp Act, 1958 ("Maharashtra Stamp Act") prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act, then the instrument is chargeable with the highest of the duty prescribed. In addition, the MaharashtraStamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

The Indian Contract Act, 1872 ("Contract Act")

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963 ("Specific Relief Act")

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Competition Act, 2002 ("Competition Act")

The Competition Act, 2002 aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("**Competition Commission**") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 (Ninety Eight) Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 (One Eighty Three) Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013.The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Trademarks Act, 1999 ("Trademarks Act")

Under the Trademarks Act, 1999, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import ("EXIM") Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999 ("the FEMA")

Foreign investment in companies such asinformation technology service industry is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable regulations. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the "**FDI Circular**") which consolidates the policy framework on Foreign Direct Investment ("**FDI**"), with effect from May 12, 2015. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till May 11, 2015. All the press notes, press releases, clarifications on FDI issued by DIPP till May 11, 2015 stand rescinded as on May 12, 2015.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Circular dated May 12, 2015 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015 which is valid till June 30**,** 2016. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are 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. As mentioned above, 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.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Octaware Technologies Pvt. Ltd. on May 26, 2005 under the Companies Act, 1956, with the Registrar of Companies, Mumbai, Maharashtra, bearing Registration Number 153539 and CIN U72200MH2005PTC153539. The status of our Company was changed to public limited company and the name of our Company was changed to Octaware Technologies Ltd. by a special resolution passed on June 15, 2015. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 17, 2015, by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U72200MH2005PLC153539.

Our Company is a software development, enterprise solution and consulting firm engaged in the business of providing a range of Information Technology ("IT") solutions to companies across sectors such as Healthcare, Education, Telecom, Oil & Gas, Real Estate & Construction, Banking & Financial Services and Manufacturing sectors. We design, develop and maintain software systems and solutions, creates new applications and enhances the functionality of our customers' existing software products.

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Having worked with technology companies like TCS, Microsoft, Citibank and AskMe Inc., Mr. Aslam Khan started Octaware in 2005 pooling all his experience. He was aided by Mr. Sajid Hameed who has rich experience in setting up business, developing markets, managing customers and handling overall businesses. In the year 2006, our Company acquired 2 large customers in US and the growth continued with our establishing partner relationships in Qatar in 2007, allowing us to offer specialized solution for the Middle East market. Later in 2008, our Company introduced solutions for various industries like healthcare, professional services and real-estate industry by investing in in-house product development.

For further details regarding our business operations, please see the chapter titled "Our *Business*" beginning on page 88 of this Draft Prospectus.

Our Company has Seventeen (17) shareholders, as on the date of this Draft Prospectus.

MAJOR EVENTS

YEAR	MILESTONE
2005	• Incorporation of Company as Octaware Technologies Pvt. Ltd.
2006	• Obtained Microsoft Gold Partnership – Business Solution • Obtained membership of STPI/NASSCOM/ESC
2007	• Associated with GETP and began working relations in Qatar • Opened a training and development centre at Pune, Maharashtra • Began operations of a group company in Washington, USA as Octaware Technologies LLC
2008	• Expanded Market in Far East and Oceania region
2009	• Associated with local partners at Saudi Arabia • Launched 4 new Products and Solutions in India and Global Market
2010	• Winner of RED HERRING Top 100 ASIA Award.
2011	• Voted as India's TOP 50 Fastest Growing Technology Company by Deloitte • Launched Octaware West Africa in Lagos, Nigeria
2012	• Winner of Most Innovative Company of the Year Stevie International Business Award – 2012.
2013	• Established a 100% owned Octaware subsidiary in UAE • Winner of Best IT Product Architecture Global IT Architecture Excellence Award – 2013.
2014	• Established associate partners in Harare, Zimbabwe • Recognized with Global CSR Excellence & Leadership Award, Employment for Individuals with Disabilities • Established associate partners in UAE • Established associate partners in Singapore

MAIN OBJECTS

The main object of our Company is as follows:

"To establish, provide, perform consultancy services and solutions in the field of information technology, system engineering, related technical and commercial consultancy service, import and export of know-how in the field of

computers and provide software services infrastructure for customers, as also to take the business of development of software products and render Information technology enabled services such as networking services related thereto including software implementation and support so as to cater to the needs of customers and to export the software products and services out of India."

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Our Company's Registered Office is 204 Timmy Arcade, Makwana Road Marol. Andheri (East), Mumbai – 400 072. There have been no changes in our Registered Office address since incorporation.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

DATE	NATURE OF AMMENDMENT
April 15, 2013	Increase in Authorised Capital from ₹ 2,00,000 divided into 20,000 shares of ₹ 10 each to ₹ 2,50,00,000 divided into 25,00,000 shares of ₹ 10
April 17, 2013	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each.
July 21, 2014	Increase in Authorised Capital from ₹ 2,50,00,000 divided into 2,50,00,000 shares of ₹ 1/- each to ₹ 3,50,00,000 divided into 3,50,00,000 shares of ₹ 1
May 28, 2015	Increase in Authorised Capital from ₹ 3,50,00,000 divided into 3,50,00,000 shares of ₹ 1/- each to ₹ 4,20,00,000 divided into 4,20,00,000 shares of ₹ 1
July 25, 2015	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each

SUBSIDIARIES

We have recently acquired interest in 2 of our group companies, thereby making them our subsidiaries. As on the date of this Draft Prospectus, we have two subsidiary companies

Our Company has two subsidiary companies are:

I. OCTAWARE INFORMATION TECHNOLOGIES PRIVATE LIMITED ("OITPL")

OITPL was incorporated as Octaware Information Technologies Private Limited under the Companies Act, 2013 and a Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on October 03, 2013. OITPL was set up to undertake business activities in the field of Information technology, software and networking services in and out of India.

Its registered office is situated at 204, 2nd floor, Timmy Arcade, Makwana Road, Marol, Andheri (East), Mumbai - 400059.

Board of Directors as on September 30, 2015

- Aslam Khan
- Siraj Gunwan
- Sajid Abdul Hameed

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past and Directorship held by the abovementioned Directors, please see the chapter titled "*Our Management*" and "*Our Promoter and Promoter Group*" beginning on pages 119 and 131 of this Draft Prospectus.

Capital Structure

(₹ in Lakhs)

Particulars	No. of Equity Shares
Authorised capital	175.00
Issued, subscribed and paid-up capital	159.39

Shareholding Pattern

OITPL is a 99% owned subsidiary of our Company and the shareholding of OIT is as below:

Sr. No.	Name of the Shareholder	No. Of Shares	% of Total Shares
1.	Octaware Technologies Limited	15,83,829	99.37%
2.	Aslam Khan	3,500	0.22%
3.	Sajid Hameed	2,500	0.16%
4.	Siraj Gunwan	1,600	0.10%
5.	Haroon Baig	1,200	0.08%
6.	Shahnawaz Ajazuddin Shaikh	1,200	0.08%
Total		**15,93,829**	**100.00%**

Financial Information

The summary of audited financials of OITPL is as follows:

(₹ in lakhs)

Particulars	As at March 31		
	2015	2014	2013
Equity Capital	159.39	1.00	NA
Reserves and Surplus	2.67	(0.13)	NA
Income including other income	20.00	NIL	NA
Profit/ (Loss) after tax	2.80	(0.13)	NA
Earnings per share	0.18	--	NA
Net asset value per share	10.16	--	NA

**Since the Company was registered in January 13, 2013, hence the Audited Reports for Fiscal 2013 are not available.*

Other confirmations

- The equity shares of OITPL are not listed on any stock exchange;
- OITPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up;
- No application has been made to RoC for striking off the name of OITPL;
- OITPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

The amount of accumulated profit/ (losses) not accounted for by our Company

There is no accumulated profit/ (losses) not accounted for by our Company.

II. OCTAWARE GULF FZE

Octaware Gulf FZE is registered as a Free Zone establishment with limited liability in accordance with provisions of Emiri Decree in the Ras Al Khaimah Free Trade Zone, United Arab Emirates on January 17, 2013. The main business activities were Information Technology Consultancy services.

Its registered office is situated at P.O Box 16111, RAK Free Trade Zone, Ras Al Khaimah, United Arab Emirates.

Management:

Mr. Sajid Hameed is the Manager of the establishment.

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past and Directorship held by the abovementioned Directors, please see the chapter titled "*Our Management*" and "*Our Promoter and Promoter Group*" beginning on page 119 and 131 of this Draft Prospectus.

Capital Structure

Particulars	1 Share of AED 100,000 each
Authorised capital	1,00,000
Issued, subscribed and paid-up capital	1,00,000

Shareholding Pattern

Octaware Gulf FZE is a wholly-owned subsidiary of our Company holding 1 share of AED 100,000 each.

Financial Information

The summary of audited financials of Octaware Gulf FZE is as follows:

(Amount in lakhs AED)

Particulars	As at March 31		
	2015	2014	2013*
Equity Capital	1.00	1.00	NA
Reserves and Surplus	5.57	3.60	NA
Income including other income	17.32	8.76	NA
Profit/ (Loss) after tax	1.97	3.60	NA
Earnings per share	1.97	3.60	NA
Net asset value per share	6.57	4.60	NA

** Since the Company was registered in January 13, 2013, hence the Audited Reports for Fiscal 2013 are not available.*

THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit/ (losses) not accounted for by our Company.

HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any holding company within the meaning of Companies Act, 2013.

TECHNOLOGY, MARKET COMPETENCE AND OTHER DETAILS REGARDING OUR COMPANY

For details of our Company's business, products and services, its growth, standing with reference to the prominent competitors, management, technologies and services, please see the chapters titled "*Business Overview*" and "*Industry Overview*" beginning on pages 88 and 74 of this Draft Prospectus, respectively.

CAPITAL RAISING THROUGH EQUITY AND DEBT

Except as mentioned in the chapter titled "*Capital Structure*" beginning on page 48 of this Draft Prospectus, our Company has not raised any capital by way of equity or convertible debentures. The Company has no debts as on date of this Draft Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND TIME / COST OVERRUN, DEFAULTS AND LOCK OUT /STRIKES ETC.

Other than as disclosed in the chapters titled "*Risk Factors*" and "*Outstanding Litigation and Material Developments*" beginning on pages 9 and 189 of this Draft Prospectus, respectively, there have been no defaults or rescheduling of borrowings with the financial institutions / banks.

JOINT VENTURES

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

SHAREHOLDERS' AGREEMENT

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

FINANCIAL PARTNERS

We do not have any financial partners as on the date of this Draft Prospectus.

STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Draft Prospectus.

OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

There are no injunctions / restraining orders that have been passed against the company.

ACQUISITION OF BUSINESS / UNDERTAKINGS

No Acquisition of business / undertakings from the date of this Draft Prospectus except as mentioned below.

OUR MANAGEMENT

Board of Directors:

Our Company has six (6) Directors consisting of three (3) Executive Directors and two (2) Non-Executive Independent Directors and one (1) Additional Director. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
Mr. Aslam Khan *Chairman & Managing Director* **Address:** 1/14, Mahindra Park, Narayan Nagar, L.B.S Road, Ghatkopar (W), Mumbai, Maharashtra. **Date of appointment as Director:** September 30, 2010 **Date of appointment as Managing Director:** October 05, 2015 **Term:** 3 Years (October 05, 2015 to October 04, 2018) **Occupation:** Business **DIN:** 00016438	Indian	41 Years	• Bridge Voip Connections Services Private Limited • Transpact Enterprises Private Limited • Octaware Information Technologies Private Limited. • Mizan Venture LLP.
Mr. Sajid Hameed *Whole Time Director* **Address:** 1601 Ayesha Tower, 16th Floor, S.V Road, Jogeshwari (W)Mumbai – 400 102 **Date of appointment as Director:** October 1, 2005 **Date of appointment as Whole Time Director:** October 05, 2015 **Term:** 3 Years (October 05, 2015 to October 04, 2018) **Occupation:** Business **DIN:** 02544461	Indian	42 Years	• Octaware Information Technologies Private Limited.
Mr. Siraj Gunwan *Whole Time Director* **Address:** Flat C-15, 4th Floor, Kubera Colony, NIBM Road, Kondhwa, Pune – 411 048 **Date of appointment as Director:** September 30, 2010 **Date of appointment as Whole time Director:** October 05, 2015 **Term:** 3 Years (October 05, 2015 to October 04, 2018)	Indian	43 Years	• Octaware Information Technologies Private Limited.

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
Occupation: Business **DIN:** 02507021			
Dr. Sarika Lidoria *Non-Executive Independent Director* **Address:** C-2/001, Nilgiri Gardens CSH Ltd. Uran Road, Sector-24, Belapur, Navi Mumbai – 400 614 **Date of appointment as Non Executive Independent Director:** November 5 2015 **Term:** Up to Next General Meeting **Occupation:** Business **DIN:** 07332632	Indian	39 Years	**NIL**
Dr. Shariq Nisar *Non-Executive Independent Director* **Address:** Wasi Compound, Street No.4, Hadi Nagar, Dhorra Mafi, Aligarh – 202 002 **Date of appointment as Non Executive Independent Director:** November 5 2015 **Term:** Up to next General Meeting **Occupation:** Business **DIN:** 01776627	Indian	41 Years	• Taqwaa Advisory And Shariah Investment Solutions Private Limited
Mr. Krishnan Narayanan *Non-Executive Independent Director* **Address:** **Date of appointment as Non Executive Independent Director:** December 01, 2015 **Term:** Up to next General Meeting **Occupation:** Business **DIN:** 07342596	Indian	48 Years	**NIL**

For further details on their qualification, experience etc., please see their respective biographies under the heading "*Brief Biographies*" below.

Notes:

- None of the Directors on our Board are related to each other,
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Aslam Khan

Mr. Aslam Khan, aged 41 years, is the Chairman & Managing Director of our Company. He is also the founding promoter of our company. He is a graduate in Electronics Engineering from the Mumbai University, he has completed Advance Management Programme from the prestigious Indian Institute of Management, Kolkata. Mr. Aslam Khan also studied at Harvard Business School, MIT's Sloan School of Management and Said Business School of Oxford University where he was awarded executive certificates in Strategic Marketing and Finance Programme. Mr. Aslam Khan has a rich experience of over 19 years in IT Industry, he has worked for many top MNC’s like Microsoft, Citibank NA, Askme.com, TCS. Mr, Aslam Khan has worked around various parts of the globe and has a strong grip on Global IT industry. He has also established a Charitable Trust and a Hospital as his contribution towards the society.

Mr. Sajid Hameed

Mr. Sajid Hameed, aged 42 years, is the Whole Time Director of our Company. He is also the second founding member of Octaware Technologies Ltd., He is an Engineering Graduate from Mumbai University and has completed his Master’s from Sikkim Manipal University. He has an excellent track record of aggressively building, developing and executing strategic vision for business growth. He uses his diversified range of technology engineering, marketing, sales and management experience to oversee Octaware global business operations. He has over 21+ years of experience in this field and has worked with many fortune 500 companies.

Mr. Siraj Gunwan

Mr. Siraj Gunwan, aged 43 years, is the Whole-Time Director of our Company. He leads and manages the engineering division of the company. He has an extensive experience in solution design; product development and enterprise delivery across multiple verticals. He is a technology specialist with over 21 years of experience in Information Technology industry working for leading financial and governmental organisation such as Commercial Bank, GIS Centre for excellence in Qatar. He is a Computer Science graduate from Karnataka University.

Dr. Sarika Lidoria

Dr. Sarika Lidoria, aged 39years, is the Non-executive Independent Director of our Company. She holds a Ph.D Degree in Arts. She has over 14+ years of experience credited with expertise in the technology industry to strategize, define, and design business of digital products, applications and eLearning Solutions. She is also a ‘Certified Corporate Director’ acknowledged by “The Institute of Directors”. She is an expert in setting strategic direction in technology/eLearning, based on customer needs and business goals. Her vast experience in the field of Information Technology enables her to understand the clients need accurately and develop the solution accordingly.

Dr. Shariq Nisar

Dr. Shariq Nisar, aged 42 years, is the Non Executive Independent Director of our Company. He holds a Ph.D in Economics from The Aligarh Muslim University. He has a wide range of Experience in the field of Teaching and Finance, During his professional career he has been involved in several high profile ventures including the launch of India’s first Shariah index at the Bombay Stock Exchange (BSE TASIS Shariah 50) which received worldwide acclaim. During 2013-14 he was appointed as Sr. Visiting Fellow at Harvard Law School. During the span of his professional career Dr. Shariq Nisar has been appointed at many key positions.

Mr. Krishnan Narayanan

Mr. Krishnan Narayanan, aged 48 years, is the Non Executive Independent Director of our Company. He has obtained a Bachelor’s Degree in Mechanical Engineering from the Annamalai University in the year 1988 and a Post Graduation

Diploma in Business Administration from the Annamalai University in the year 1989. He is currently pursuing a Ph. D from the Singapore Management University. He has 24 years of technology leadership experience in financial services across various Asia Pacific markets including Japan, Korea, Hong Kong, Malaysia and Singapore and has worked as Managing Director of UBS, Director in Prudential Corporation Asia, and as a Vice President at Citibank. He has rich experience in all aspects of the Information Technology life cycle with exposure to business domains of retail and commercial banking, investment banking, insurance, asset and wealth management. He was appointed as an Independent Director (additional director) on December 01, 2015.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on November 09, 2015 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 100.00 crores.

Remuneration of Executive Directors

Pursuant to a Shareholders resolution dated October 05, 2015, Mr. Aslam Khan was re-appointed as the Managing Director and Mr. Sajid Hameed and Mr. Siraj Gunwan were re-appointed as the Whole-Time Directors of our Company for a period of 3 years with effect from October 05, 2015 and all three are entitled to a remuneration (excluding gratuity and compensated absences) including by way of salary, commissions or professional fees upto ₹ 30 lakhs each per annum, subject to overall limit laid down in section 197 of The Companies Act, 2013.

The remuneration paid via consultancy fees to Mr. Aslam Khan, Mr. Sajid Hameed, Mr. Siraj Gunwan, Mr. Haroon Baig and Mr. Shaikh Shahnawaz for FY 2015 was ₹ 9.00 lakhs, ₹ 7.23 lakhs, ₹ 7.57 lakhs, ₹ 5.84 lakhs and ₹ 6.64 lakhs respectively.

Compensation of Non-Executive Independent Directors

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on December 07, 2015, whereby the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹ 2,500 for attending every meeting of Board or its committee thereof.

Remuneration paid to our Non-Executive Independent Directors in Fiscal 2015: Nil

Shareholding of Directors

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

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Aslam Khan	13,19,077	42.90%
Mr. Sajid Hameed	7,84,681	25.52%
Mr. Siraj Gunwan	3,33,018	10.83%
Dr. Shariq Nisar	5,000	0.16%
Total	**24,41,776**	**79.41%**

Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled "*Our Management*" and the chapter titled "*Related Party Transactions*" beginning on pages 119 and 173 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in "Properties" within the section titled "*Our Business*" on page 88 of this Draft Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus. Further, except as disclosed in "Properties" within the section titled "*Our Business*" on page 88 of this Draft Prospectus, our Company has not taken any property on lease from our Promoters within two years of the date of this Draft Prospectus.

Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Change	Reason for change
1	Mr. Siraj Gunwan	October 05, 2015	Change in designation
2	Mr. Shahnawaz Shaikh	December 01, 2015	Resignation
3	Mr. Haroon Baig	December 01, 2015	Resignation
4	Mr. Aslam Khan	October 05, 2015	Change in designation
5	Mr. Sajid Hameed	October 05, 2015	Change in designation
6	Dr. Sarika Lidoria	October 05	Appointment
7	Dr. Shariq Nisar	October 05	Appointment
8	Mr. Krishnan Narayanan	October 05	Appointment

Corporate Governance

The provisions of the SME Equity listing agreement, to be entered into by our Company with the Stock Exchange, will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchange. We have complied in accordance with Clause 52 (as applicable) of the SME Equity listing agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of an Audit committee, a Stakeholder's Relationship Committee and a Nomination and Remuneration Committee.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the SME Equity listing agreement. In addition, our Company intends to adopt a code of conduct for prevention of insider trading.

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:
1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

1. Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated December 07, 2015 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Dr. Shariq Nisar	Non-Executive Independent Director	Chairman
Dr. Sarika Lidoria	Non-Executive Independent Director	Member
Mr. Aslam Khan	Chairman & Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) 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.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- 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
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

m) 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.

n) Discussion with internal auditors any significant findings and follow up there on.

o) 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.

p) 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.

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

r) To review the functioning of the Whistle Blower mechanism.

s) 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.

t) 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.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys 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

d) To secure attendance of outsiders with relevant expertise if it considers necessary

e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

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 committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

2. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were reconstituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated December 07, 2015 The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Krishnan Narayanan	Non Executive Independent Director	Chairman
Dr. Shariq Nisar	Non Executive Independent Director	Member

Mr. Siraj Gunwan	Whole Time Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

a) Allotment and listing of our shares in future

b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;

d) Reference to statutory and regulatory authorities regarding investor grievances;

e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was reconstituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated December 07, 2015

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Dr. Sarika Lidoria	Non Executive Independent Director	Chairman
Mr. Krishnan Narayanan	Non Executive Independent Director	Member
Dr. Shariq Nisar	Non Executive Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

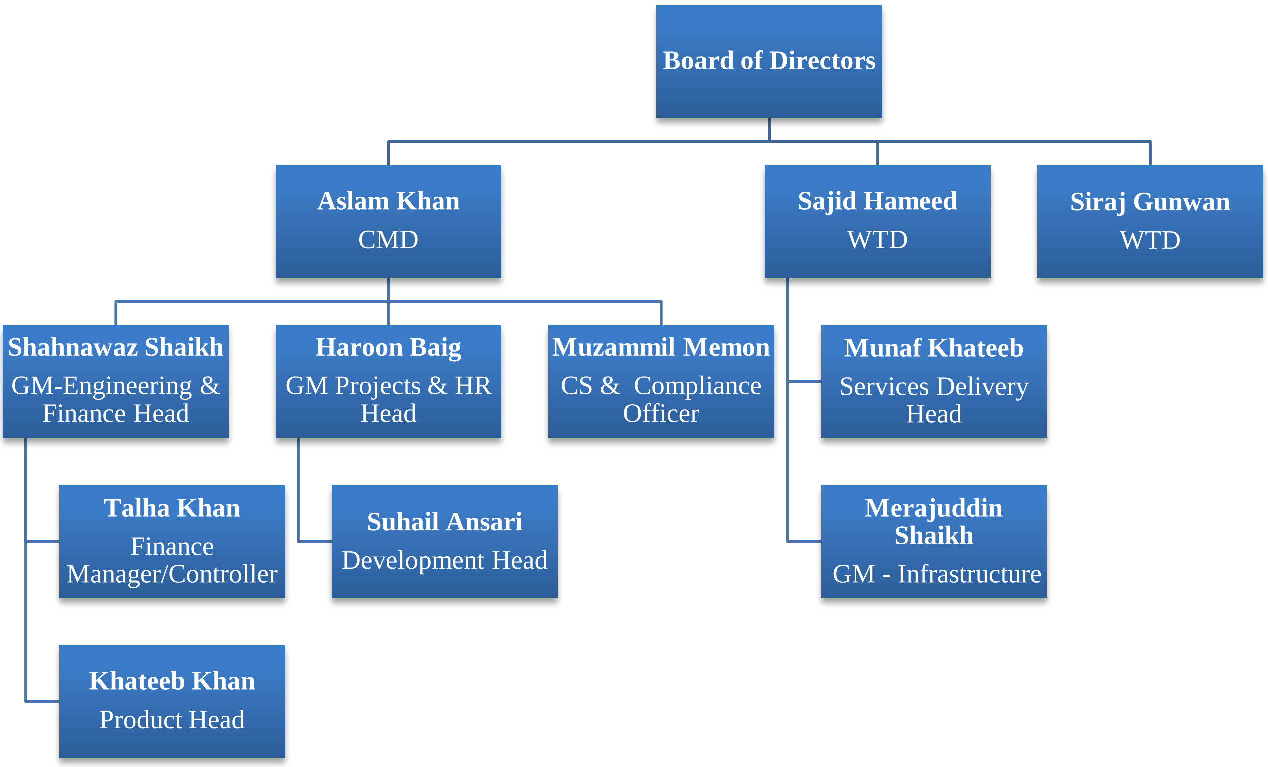
The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Muzammil Memon is 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.

Management Organization Structure



Terms & Abbreviations

CMD	-	Chairman and Managing Director
WTD	-	Whole-Time Director
GM	-	General Manager
CS	-	Company Secretary
HR	-	Human Resources

Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Current C.T.C p.a. (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Shaikh Shahnawaz	General Manager - Engineering & Finance Head	April 7, 2008	6.84	B,E (Electronics)	• MicroAssociate Consultancy Ltd. • Rolta India Ltd. • Rolta Saudi Arabia Ltd.	19 Years
Haroon Baig	General Manager - Projects & HR Head	July 1, 2005	5.56	B.E. (Computer Science)	• MHSSP	20 Years
Merajuddin Shaikh	General Manager - Infrastructure	January 2, 2012	7.44	M.B.A	• Microsoft Corporation • Fawaz Al Hokair Group-Riyadh • Al Rajhi Investment Group • Du Telecom • Shell IT Service	15 Years
Talha Khan	Finance Manager/Controller	August 2, 2010	3.60	B.Com.	• M/s Shetty Associates • M/s Shreeram Enterprises	9 Years
Khateeb Khan	Product Head	July 4, 2011	7.15	B.Sc	N.A.	4 Years
Munaf Khateeb	Services Delivery Head	October 20, 2014	2.61	B.E (Electronics)	• Emerald Systems Pvt. Ltd. • CMS Computers Ltd. • Hewlett Packward Pvt. Ltd.(Contract Associate) • Colgate Palmolive Ltd.	16Years
Sohel Ansari	Development Head	December 22, 2014	5.56	B.E. (Computer Science)	• Infosys Ltd.	5Years
Muzammil Memon	CS	December 01, 2015	2.10	B.Com & CS	NIL	NA

Other Notes –

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP,s are related to each other.

Also, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

Shareholding of Key Managerial Personnel

None of the KMP in our Company holds any shares of our Company as on the date of this Draft Prospectus. Except for the following mentioned below.

Name	Designation	No. of shares held
Mr. Haroon Baig	General Manager - Projects & HR Head	1,79,451
Mr. Shaikh Shahnawaz	General Manager - Engineering & Finance Head	2,54,573
Mr. Talha Khan	Finance Manager/Controller	2,500
Total		**4,33,025**

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP / ESPS scheme for employees.

Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Draft Prospectus:

Name of Employee	Designation & Functional Area	Date of Appointment
Mr. Munaf Khateeb	Service Delivery Head	October 20, 2014
Mr. Sohel Ansari	Development Head	December 22, 2014
Mr. Muzammil Memon	Company Secretary & Compliance Officer	December 01, 2015
Mr. Sajid Hameed	Chief Financial Officer	December 01, 2015

OUR PROMOTER, PROMOTER GROUP

OUR PROMOTERS

Mr. Aslam Khan and Mr. Sajid Hameed are the Promoters of our Company.

The details of our Promoters are provided below:

Mr. Aslam Khan
PAN: AGBPK7367B
Passport No.: Z3065643
Driver's License No.: MH03 19950007835
Voter's ID No.: NHL3100807
Name of Bank & Branch: CitiBank, Pune Branch
Bank A/c No.: 5-226368-703

Mr. Sajid Hameed
PAN: AJWPS0895G
Passport No.: Z2602916
Driver's License No.: MH03(2) 97 5223
Voter's ID No.: ACC2556207
Name of Bank & Branch: Bank Of India- Jogeshwari Branch
Bank A/c No.: 006710110002441

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past, please see the chapter titled "Our Management" beginning on page 119 of this Draft Prospectus and "Our Promoter and Promoter Group" on page 131 of this Draft Prospectus.

For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page 48 of this Draft Prospectus.

Other Undertakings and Confirmations

We confirm 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 the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled *"Capital Structure"*, "*Financial Information*" and "*Our Management*" beginning on pages 48, 140 and 119 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Common Pursuits of Promoters and Group Companies

One of our Group Company have been authorised by its respective Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in businesses similar to ours. Following are the Group Company, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future –

✓ Octaware Technologies LLC, U.S.A

Our Company has not adopted any measures for mitigating such conflict situations. However, it is being proposed to acquire substantial stake in this company and make it our subsidiary in the near future.

Companies with which the Promoter has disassociated in the last three years

Except as mentioned below, our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Name of Promoter	Name of Company	Disassociation Details
Mr. Aslam Khan and Mr. Sajid Hameed	Octaware Technologies Pvt. Ltd. (Singapore)	Octaware Technologies Pvt. Ltd. was a company incorporated in the Republic of Singapore bearing 201302003Z which was subsequently stricken off effective from the date of incorporation and the company did not have any assets of liabilities.

Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years

Except as stated in "*Annexure XVIII – Statement of Related Party Transactions*" on page 173 of this Draft Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Draft Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus For details, please the chapter "*Our Business*" on page 88 of this Draft Prospectus.

Further, other than as mentioned in the chapter titled "*Business Overview*", our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our promoters may be interested in rent being paid by our company to certain relatives who own these premises being occupied by the company. For further details please see "Our Business" and "*Financial Information*" beginning on page 140 of this Draft Prospectus.

Interest of Promoters in our Company other than as Promoters

Other than as Promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled *"Our Management"* and *"Capital Structure"* beginning on pages 119 and 48 respectively of this Draft Prospectus.

Except as mentioned in this section and the chapters titled "*Capital Structure*", "Our *Business*", "*History and Certain Corporate matters*" and "*Annexure XVIII – Statement of Related Party Transactions*" on pages 48, 88, 114 and 173 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in the "*Annexure XVIII – Statement of Related Party Transactions*" on page 173 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled "*Capital Structure – Notes to Capital Structure*" beginning on page 48 of this Draft Prospectus.

Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the "*Annexure XVIII – Statement of Related Party Transactions*" on page 173 of this Draft Prospectus.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled "*Risk Factors*" and chapter titled "*Outstanding Litigation and Material Developments*" beginning on pages 9 and 189 of this Draft Prospectus.

OUR PROMOTER GROUP

Apart from our Promoters, as per Regulation 2(1)(ZB) of the SEBI (ICDR) Regulation, 2009, the following individuals and entities shall form part of our Promoter Group:

A. Natural Persons who are Part of the Promoter Group

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Aslam Khan	Qudratullah Khan	Father
	Zaibunnisa Khan	Mother
	Rehana Aslam Khan	Wife
	Mohammed Arif Khan Abrar Ahmed Khan	Brother(s)
	Tasbihunnisa Khan Ayesha Khatoon Khan Fatima Khatoon Khan Abeda Khatoon Khan	Sister(s)
	Saad Ahmed Khan Maaz Ahmed Khan	Son(s)
	Asra Aslam Khan	Daughter(s)
	Mohammed Hashim Khan	Wife's Father
	Hajira Khatoon Hashim Khan	Wife's Mother
	Parvez Ahmed Khan Firoz Ahmed Khan Afzal Ahmed Khan Faisal Ahmed Khan	Wife's Brother(s)
	Shehnaz Shamim Khan Kaneez Fatima Khan	Wife's Sister(s)
Mr. Sajid Hameed	Shaikh Abddul Hameed	Father
	Sayeedba Bano	Mother

Name of the Promoter	Name of the Relative	Relationship with the Promoter
	Nazia Sajid Hameed	Wife
	Shaikh Khalid Irfan	Brother(s)
	Dr. Nikhat Shirin Asgar Ali Sadaf Shaikh Shahnaz Junaid Khan	Sister(s)
	Hashir Sajid Hameed	Son(s)
	Shaima Sajid Hameed	Daughter(s)
	Abdul Rashid Mulla	Wife's Father
	Zubeda Abdul Rashid Mulla	Wife's Mother
	Faheem Mulla Farhan Mulla Zeeshan Mulla Shahbaz Mulla	Wife's Brother(s)
	Dr. Arshiya Khan Dr. Tarannum Mulla	Wife's Sister(s)

B. Companies / Corporate Entities forming part of the Promoter Group

As per Regulation 2(1)(ZB)(IV) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1	Mizan Ventures LLP
2	Octaware Technologies LLC, U.S.A
3	Transpact Enterprises Pvt. Ltd

OUR GROUP COMPANIES

The Group Companies of our Company are as follows:

Sr. No.	Name of Promoter Group Entity
1	Transpact Enterprises Pvt. Ltd.
2	Octaware Technologies LLC, U.S.A.
3	Mizan Venture, LLP

Details of Group Companies

The details of our Group Companies / Entities are set forth below:

I. TRANSPACT ENTERPRISES PRIVATE LIMITED ("TEPL")

Corporate Information

TEPL was incorporated under the Companies Act, 1956 as Transpact Enterprises Private Limited on May 12, 2013 in the state of Maharashtra.

The main object of TEPL is to commercialize, purchase, sell, grant any patent, concessions, licenses, inventions etc in India or outside India in the field of medical technology, hospital, healthcare centres, clinic, analytical and dispensary equipment, commercial consultancy, imports export of know-how and render professional services to customers.

Its registered office is situated at 204, 2nd floor, Timmy Arcade, Makwana Road, Marol, Andheri east, Mumbai - 400059

Board of Directors

- Aslam Khan
- Anis Choudhery
- Sudhir Bania

Shareholding Pattern

Shareholder name	No. of shares	% of total holding
Aslam Khan	8000	80%
Anis Choudhery	2000	20%

Financial Information

The brief financial details of TEPL derived from its audited financial statements, for Fiscals 2015, 2014 and 2013 are set forth below:

(₹ in lakhs)

Particulars	As at March 31		
	2015	2014	2013
Equity Capital	1.00	1.00	--
Reserves and Surplus (excluding revaluation reserve)	0.00	0.00	--
Income including other income	NIL	NIL	--
Profit/ (Loss) after tax	NIL	NIL	--
Earnings per share (face value of ₹ 10 each) (in ₹)	NIL	NIL	--
Net asset value per share (in ₹)	10.00	10.00	--

Other Disclosures

The Equity Shares of TEPL are not listed on any Stock Exchange.

TEPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up. Further, TEPL does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

II. OCTAWARE TECHNOLOGIES LLC, USA ("OTLLC")

Corporate Information

OTLLC is a limited company incorporated in USA which started its business on January 01, 2007 in the state of Washington. The registered office of the company is situated at 24928, 103rd Avenue, SE #D306, Kent, Washington - 98030

The principal business activity of OTLLC is Information Technology Services.

The business identification number of OTLLC is 541511 and the employer identification number is 54-2172719.

Partnership Details

Partner Name	Type	% of Partnership (in Profit; Loss and Capital)
Yahya A. Malik	Domestic Partner	33.34%
Sajid Hameed	Foreign Partner	33.33%
Aslam Khan	Foreign Partner	33.33%

Financial Information

The brief financial details of OTLLC derived from its filed Partnership Return of Incomes, for Fiscals 2013, 2012 and 2011 are set forth below:

(Figures in $)

Particulars	As at December 31		
	2013	2012	2011
Partners Capital	(1345)	(468)	(365)
Income including other income	9000	-	5189
Profit/ (Loss) after tax	(877)	(103)	(784)

III. MIZAN VENTURE LLP ("MVLLP")

Mizan Ventures LLP is a LLP formed under the Limited Liability Partnership Act, 2008 on May 28, 2015 as Mizan Ventures LLP and has its Registered Office at 204, Timmy Arcade, Makwana Road, Marol, Andheri, Mumbai-400059.

The LLP identification number of MVLLP is AAE-0470. MVLLP is presently involved in the business of Financial Intermediation, except Insurance & Pension Funding.

Name of Partners

1. Aslam Khan
2. Mohsin Miyajiwala
3. Sayyed Allauddin

Financial Information

Since MVLLP is formed on May 28, 2015 and has been in operations for past 6 months the financials have not been prepared. Our Promoters have decided to discontinue this venture and the formalities for the same have already begun.

BUSINESS INTEREST OF GROUP COMPANIES IN THE COMPANY

Except as disclosed in "*Annexure XVIII - Related Party Transactions*" and the chapter titled "*Business Overview*" on pages 173 and 88 respectively of this Draft Prospectus, none of the Group Companies have any business interest in our Company.

Except Octaware Technologies LLC, none of our Group Companies or Entities are currently engaged in a business similar to ours.

SALE / PURCHASE BETWEEN GROUP COMPANIES

For details, please see the chapter titled "*Annexure XVIII - Related Party Transactions*" on page 173 of this Draft Prospectus.

CURRENCY OF PRESENTATION

In this Draft Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten lakhs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million” and the word “trillion” means “One thousand billion”. Throughout this Draft Prospectus, all the figures have been expressed in lakhs of Rupees, except when stated otherwise.

In this Draft Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” and “₹” are to the legal currency of the Republic of India; all references to “U.S. Dollars” and “US$” are to legal currency of the United States.

In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENT

Independent Auditor's Report for the Consolidated Restated Financial Statements of Octaware Technologies Limited

To,
The Board of Directors,
Octaware Technologies Limited
204, Timmy Arcade,
Makwana Road
Mumbai – 400 072

Dear Sirs,

Re.: Proposed Public Issue of Equity Shares of Octaware Technologies Limited

1. We have examined the attached Consolidated Restated Summary Statement of Assets and Liabilities of **Octaware Technologies Limited,** (hereinafter referred to as "**the Company"**) and its subsidiaries as at June 30, 2015, March 31, 2015 and 2014,, Consolidated Restated Summary Statement of Profit and Loss and Consolidated Restated Summary Statement of Cash Flow for the period / financial year ended on June 30, 2015, March 31, 2015 and 2014, (collectively referred to as the "**Consolidated Restated Summary Statements**" or "**Consolidated Restated Financial Statements**") annexed to this report and initialed by us for identification purposes. These Consolidated Restated Financial 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) on SME Platform of BSE Limited ("**BSE**").

2. These Consolidated Restated Summary Statements have been prepared in accordance with the requirements of:

   (i) Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
   (ii) 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;

3. We have examined such Consolidated Restated Financial Statements taking into consideration:

   (i) The terms of reference to our engagements with the Company letter dated 3rd November, 2015 requesting us to carry out the assignment, in connection with the Draft 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
   (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").

4. The Consolidated Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period / year ended on June 30, 2015, March 31, 2015, 2014, which have been approved by the Board of Directors.

5. In accordance with the requirements of the Act, ICDR Regulations, Guidance Noteand Engagement Letter, we report that:

   (i) The "**Consolidated Restated Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the Company as at June 30, 2015, March 31, 2015, 2014, are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as Consolidated 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 the Consolidated Restated Summary Statements as set out in **Annexure IV** to this Report.

(ii) The "**Consolidated Restated Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as Consolidated 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 the Consolidated Restated Summary Statements as set out in **Annexure IV** to this Report.

(iii) The "**Consolidated Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as Consolidated 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 Consolidated Restated Summary Statements as set out in **Annexure IV** to this Report.

6. Based on our examination and audited financial statements, we report that the Consolidated Restated Financial Statements have been made after incorporating:

a) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.

c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, which would require adjustments in this Consolidated Restated Financial Statements of the Company.

e) 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 Consolidated Restated Summary Statements as set out in **Annexure IV** to this report.

f) There are no revaluation reserves, which needed to e disclosed separately in the Consolidated Restated Financial Statements in the respective financial years.

7. Audit for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, was conducted by M/s. Ashok K. Surana, Chartered Accountants and 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 period / financial year ended on June 30, 2015 and March 31, 2015 have been reaudited by us as per the relevant guidelines.

8. 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 period / financial year ended on June 30, 2015, March 31, 2015, 2014, proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**").

Annexure of Consolidated Restated Financial Statements of the Company:-

i. Summary Statement of Assets and Liabilities, as Consolidated Restated as ANNEXURE I;
ii. Summary Statement of Profit and Loss, as Consolidated Restated as ANNEXURE II;
iii. Summary Statement of Cash Flow, as Consolidated Restated as ANNEXURE III;
iv. Significant Accounting Policies in ANNEXURE IV;
v. Details of Details of Share Capital as Consolidated Restated as appearing in ANNEXURE V to this report;
vi. Details of Reserves and Surplus as Consolidated Restated as appearing in ANNEXURE VI to this report;
vii. Details of Long Term Provisions as Consolidated Restated as appearing in ANNEXURE VII to this report;

viii. Details of Trade Payables as Consolidated Restated as appearing in ANNEXURE VIII to this report;
ix. Details of Other Current Liabilities as Consolidated Restated as appearing in ANNEXURE IX to this report;
x. Details of Short Term Provisions as Consolidated Restated as appearing in ANNEXURE X to this report;
xi. Details of Fixed Assets as Consolidated Restated as appearing in ANNEXURE XI to this report
xii. Details of Long Term Loans & Advances as Consolidated Restated as appearing in ANNEXURE XII to this report;
xiii. Details of Other Non-Current Assets as Consolidated Restated as appearing in ANNEXURE XIII to this report
xiv. Details of Current Investments as Consolidated Restated as appearing in ANNEXURE XIV to this report;
xv. Details of Trade Receivables as Consolidated Restated as appearing in ANNEXURE XV to this report
xvi. Details of Short Term Loans & Advances as Consolidated Restated as appearing in ANNEXURE XVI to this report;
xvii. Details of Other Current Assets as Consolidated Restated as appearing in ANNEXURE XVII to this report;
xviii. Details of Other Income as Consolidated Restated as appearing in ANNEXURE XVIII to this report;
xix. Details of Related Party Transactions as Consolidated Restated as appearing in ANNEXURE XIX to this report;
xx. Details of Significant Accounting Ratios as Consolidated Restated as appearing in ANNEXURE XX to this report;
xxi. Capitalisation Statement as Consolidated Restated as appearing in ANNEXURE XXI to this report;

9. 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.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. In our opinion, the above financial information contained in Annexure I to XXII of this report read with the respective Significant Accounting Polices and Notes to Consolidated Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note.

12. 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 R T Jain & Co.
Chartered Accountants
Firm Registration no.103961W

(CA Bankim Jain)
Partner
Membership No.139447

Mumbai, December 18, 2015

Annexure - I
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
a. Share Capital	304.50	304.50	203.00
b. Reserves & Surplus	278.52	247.48	234.12
Share Application Money Pending Allotment	1.07	1.02	-
Non Current Liabilities			
a. Long Term Borrowings	-	-	-
b. Deferred Tax Liabilities	-	-	-
c. Other Long Term Liabilities	-	-	-
d. Long Term Provisions	1.67	1.67	1.67
Current Liabilities			
a. Short Term Borrowings	-	-	-
b. Trade Payables	16.49	6.38	10.18
c. Other Current Liabilities	19.08	12.86	12.26
d. Short Term Provisions	2.50	1.00	-
TOTAL	**623.84**	**574.91**	**461.23**
ASSETS			
Non Current Assets			
a. Fixed Assets			
i. Tangible Assets	275.09	247.73	231.14
ii. Intangible Assets	41.67	10.20	10.20
Less: Accumulated Depreciation	(78.93)	(77.48)	(71.46)
iii. Intangible Assets under development	21.34	-	-
Net Block	237.83	180.45	169.88
b. Deferred Tax Assets (Net)	1.83	1.96	1.30
c. Non-current Investments	-	-	-
d. Long Term Loans & Advances	27.58	22.39	18.28
e. Other Non Current Assets	3.23	3.23	2.47
Current Assets			
a. Current Investment	-	5.49	0.06
a. Trade Receivables	281.34	315.00	210.77
b. Cash and Cash Equivalents	55.39	32.91	44.67
c. Short Term Loans & Advances	16.24	13.07	13.79
d. Other Current Assets	0.41	0.41	-
TOTAL	**623.84**	**574.91**	**461.23**

Annexure - II
STATEMENT OF CONSOLIDATED PROFIT AND LOSS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
INCOME			
Revenue from Operations	135.89	548.84	406.66
Other Income	7.67	2.81	3.17
Total Income (A)	**143.56**	**551.65**	**409.83**
EXPENDITURE			
Employee benefit expenses	39.99	130.19	81.40
Finance costs	-	-	-
Depreciation and amortization expense	1.45	6.02	5.04
Other Expenses	62.59	283.31	171.60
Total Expenses (B)	**104.03**	**419.52**	**258.04**
Profit before extraordinary items and tax	**39.53**	**132.13**	**151.80**
Prior period items (Net)	-	-	-
Profit before exceptional, extraordinary items and tax (A-B)	**39.53**	**132.13**	**151.80**
Exceptional items	-	-	-
Profit before extraordinary items and tax	**39.53**	**132.13**	**151.80**
Extraordinary items	-	-	-
Profit before tax	**39.53**	**132.13**	**151.80**
Tax expense :	-	-	-
(i) Current tax	1.50	18.00	18.00
(ii) Deferred tax	0.13	(0.66)	(0.11)
Total Tax Expense	**1.63**	**17.34**	**17.89**
Profit for the year (D-E)	**37.89**	**114.79**	**133.90**
Minority Interest	0.06	-	-
Profit after Tax & Minority Interest	**37.84**	**114.79**	**133.90**

Annexure - III
STATEMENT OF CONSOLIDATED CASH FLOW, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
Cash flow from operating activities:			
Net Profit before tax as per Profit And Loss A/c	39.53	132.13	151.80
Adjusted for:			
Depreciation & Amortization	1.45	6.39	5.31
Interest Income	(0.43)	(1.14)	(1.14)
Foreign Exchange Loss/(Gain)	2.40	2.90	2.90
Operating Profit Before Working Capital Changes	42.04	140.48	158.87
Adjusted for (Increase)/ Decrease:			
Trade Receivables	32.54	(106.62)	(15.21)
Loans and advances and other assets	(7.40)	(13.32)	(2.82)
Trade Payables	10.11	(3.80)	(1.58)
Liabilities & Provisions	6.23	0.59	(2.21)
Cash Generated From Operations	83.52	17.34	137.06
Direct Tax Paid	(7.75)	(20.29)	(7.76)
Net Cash Flow from/(used in) Operating Activities: (A)	**75.77**	**(2.95)**	**129.30**
Cash Flow From Investing Activities:			
Purchase of Fixed Assets	(58.83)	(3.82)	(158.86)
Interest Income	0.06	0.43	1.14
(Purchase)/Sale of Investments	5.49	(5.43)	5.10
Net Cash Flow from/(used in) Investing Activities: (B)	**(53.29)**	**(8.82)**	**(152.62)**
Cash Flow from Financing Activities:			
Proceeds From Share Capital & Share Premium	-	-	20.00
Net Cash Flow from/(used in) Financing Activities (C)	-	-	**20.00**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**22.48**	**(11.76)**	**(3.32)**
Cash & Cash Equivalents As At Beginning of the Year	**32.91**	**44.67**	**47.99**
Cash & Cash Equivalents As At End of the Year	**55.39**	**32.91**	**44.67**

Annexure – IV
RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS

A. PRINCIPLES OF CONSOLIDATION

The Restated Consolidated Financial Statements relates to Octaware Technologies Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

1. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
2. In case of foreign subsidiaries, being integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year except for the fixed assets which are consolidated at the historical rate. Any exchange difference arising on consolidation is recognized in Consolidated Statement of Profit & Loss.
3. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:

    a. The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

    b. The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

4. Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group.

The list of subsidiary companies, joint ventures and associates which are included in the consolidation and the Group's holdings therein are as under:

Sr. No.	Name of Subsidiary	Ownership in % either directly or through Subsidiaries@			Country of Incorporation
		30th June, 2015	2014-15	2013-14	
1.	Octaware Gulf FZE	100%	100%	100%(1)	UAE
2.	Octaware Information Technologies Pvt. Ltd.	99.373%	99.373%*	-	India

(1) Became Subsidiary during the year.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and the related restated summary statement of profits and loss and cash flows for the period / years ended June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

2. Use of Estimates:

The preparation of restated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Current and non-current classification:

All the Assets and Liabilities have been classified as current and non-current based on the normal operating cycle of the Company and other criteria laid down in Schedule III of the Companies Act, 2013. Based on the nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

4. Revenue Recognition:

Revenue from time and material contracts are recognized as related services are performed.

5. Fixed Assets and Depreciation:

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. All Cost including any cost attributable in brining the assets to their working condition for their intended use is capitalized. Expenditure on additions, improvement and renewable is capitalized.
Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the period / year ended on June 30, 2015 and March 31, 2015.For the year ended on March 31, 2014, 2013, 2012 and 2011 depreciation has been charged on written down value basis using the rates prescribed under Schedule XIV of the Companies Act, 1956.

6. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

7. Valuation of Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise, Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

8. Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered. Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss in the year in which actual payment is made to the employee.

9. Provision for Current Tax and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from the timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in the future.

10. Contingent Liabilities / Provisions:

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts. Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

11. Earning Per Share:

Basic earning per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

12. Foreign Currency Transactions:

Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are adjusted at the year end exchange rates. Any gain or loss arising on account of exchange difference either on settlement or no translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities

RECONCILIATION OF CONSOLIDATED RESTATED PROFITS

Adjustments for	Quarter ending June 30, 2015	2014-15	2013-14
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	**38.30**	**115.43**	**133.79**
Adjustments for:			
Change in Foreign Exchange Gain/(Loss)	(0.17)	0.96	-
Change in Depreciation	(0.23)	(2.26)	-
Deferred Tax Asset/(Liability) Adjustment	(0.13)	0.66	0.11
Change in Tax Provision	0.07	-	-
Net Profit/ (Loss) After Tax as Restated	**37.84**	**114.79**	**133.90**

Notes to Reconciliation of Consolidated Restated Profits

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the Revised Schedule VI notified under the Act, had become applicable to the Company, for preparation and presentation of its financial statements. Accordingly, the Company has prepared the financial statements for the year ended 31 March 2012 onwards in accordance with Revised Schedule VI of the Act. The adoption of Revised Schedule VI of the Act does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended 31 March 2011 in accordance with the requirements of Revised Schedule VI of the Act, to the extent possible.

1. Change in Foreign Exchange Gain/(Loss)

The Company had not recognized Foreign Exchange Gain/(Loss) for the trade receivables as per AS – 11 : Effects of Changes in Foreign Exchange Rates.

2. Change in Depreciation

The Company had provided depreciation on Fixed Assets as per rates specified in Schedule XIVI of Companies Act, 1956 which has now been reworked as per Schedule II to the Companies Act, 2013 and provided.

3. Deferred Tax Asset/(Liability) Adjustment

The Company has not provided provision for Deferred Tax Assets & Liability in his books of accounts which has now been reworked as per restated accounts and provided.

4. *Change in Tax Provision*

As per Audited Financial Statements for the quarter ended 30th June, 2015, the company had provided for Provision for Tax of Rs. 7000 which has now been changed as Company need not have to pay tax as per Restated Financial Statements for the said quarter.

Material regroupings

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended 31 March 2015, prepared in accordance with Revised chedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Annexure – V
DETAILS OF CONSOLIDATED SHARE CAPITAL, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Share Capital			
Authorized Share capital			
Equity Share of Rs. 10/- each	350.00	350.00	250.00
Issued, Subscribed & Fully Paid Up share capital			
Equity Share of Rs. 10/- each	304.50	304.50	203.00
T O T A L	304.50	304.50	203.00

Annexure - VI
DETAILS OF CONSOLIDATED RESERVES & SURPLUS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Capital Reserve (AS- 21)	3.12	3.12	-
Profit & Loss Account			
Opening Balance	225.36	215.11	281.21
Add: Profit for the year	37.84	114.79	133.90
Less: Appropriations			
Less: Share of Minority Interest Reversed	-	-	-
Less: Foreign Exchange Gain/(Loss) Reversed	(6.80)	(3.05)	-
Less: Bonus Shares Issued	-	(101.50)	(200.00)
Closing Balance	**256.40**	**225.36**	**215.11**
Share Premium a/c	19.00	19.00	19.00
T O T A L	**278.52**	**247.48**	**234.11**

Annexure - VII
DETAILS OF CONSOLIDATED LONG TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Provision for Employee Benefits	1.67	1.67	1.67
T O T A L	**1.67**	**1.67**	**1.67**

Annexure - VIII
DETAILS OF CONSOLIDATED TRADE PAYABLES, AS RESTATED

(₹ in lakhs)

Particulars	As at June 30, 2015	As at March 31,	
		2015	2014
Unsecured, considered good			
Due to Micro, Small and Medium Enterprises	-	-	-
Others	16.49	6.38	10.18
T O T A L	**16.49**	**6.38**	**10.18**

Annexure - IX
DETAILS OF CONSOLIDATED OTHER CURRENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Salary Payable	10.95	1.14	6.10
Statutory Dues	2.02	3.43	2.08
Creditors for Expenses	6.12	8.28	4.09
T O T A L	**19.08**	**12.86**	**12.26**

Annexure - X
DETAILS OF CONSOLIDATED SHORT TERM PROVISIONS AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Provision for Taxation	2.50	1.00	-
T O T A L	**2.50**	**1.00**	**-**

Annexure - XI
DETAILS OF CONSOLIDATED FIXED ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Upto 01.04.2013	For The Year	Deductions / Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Computer & Printers	45.92	-	-	45.92	43.06	1.70	-	44.76	1.16	2.87
Furniture & Fixtures	16.30	-	-	16.30	11.56	0.86	-	12.42	3.88	4.73
Office Equipment	10.06	0.48	-	10.54	4.27	0.88	-	5.15	5.39	5.79
Office Premises	-	158.38	-	158.38	-	-	-	-	158.38	-
Total - A	**72.28**	**158.86**	**-**	**231.14**	**58.89**	**3.44**	**-**	**62.33**	**168.81**	**13.39**
Intangible Assets										
Software	10.20	-	-	10.20	7.54	1.60	-	9.13	1.07	2.66
Total - B	**10.20**	**-**	**-**	**10.20**	**7.54**	**1.60**	**-**	**9.13**	**1.07**	**2.66**
Total (A+B)	**82.48**	**158.86**	**-**	**241.34**	**66.42**	**5.04**	**-**	**71.46**	**169.88**	**16.05**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Upto 01.04.2014	For The Year	Deductions / Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Computer & Printers	45.92	3.73	-	49.66	44.76	0.24	-	45.00	4.66	1.16
Furniture & Fixtures	16.30	9.51	-	25.80	12.42	1.33	-	13.75	12.05	3.88
Office Equipment	10.54	3.35	-	13.88	5.15	4.18	-	9.33	4.55	5.39
Office Premises	158.38	-	-	158.38	-	-	-	-	158.38	158.38
Total - A	**231.14**	**165.89**	**158.38**	**247.73**	**62.33**	**5.76**	**-**	**68.08**	**179.64**	**168.81**
Intangible Assets										
Software	10.20	-	-	10.20	9.13	0.26	-	9.40	0.80	1.07
Total - B	**10.20**	**-**	**-**	**10.20**	**9.13**	**0.26**	**-**	**9.40**	**0.80**	**1.07**
Total (A+B)	**241.34**	**165.89**	**-**	**241.33**	**71.46**	**6.02**	**-**	**77.48**	**180.44**	**169.88**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions	Deductions	As at 30.06.2015	Upto 01.04.2015	For The Year	Deductions / Adjustments	Upto 30.06.2015	As at 30.06.2015	As at 31.03.2015
Tangible Assets										
Computer & Printers	49.66	0.87	-	50.52	45.00	0.31	-	45.31	5.21	4.66
Furniture & Fixtures	25.80	12.87	-	38.67	13.75	0.54	-	4.29	24.38	12.05
Office Equipment	13.88	1.63	-	15.51	9.33	0.28	-	9.60	5.91	4.55
Office Premises	158.38	-	-	158.38	-	0.16	-	0.16	158.23	158.38
Vehicle	-	12.00		12.00		0.12		0.12	11.88	-
Total - A	**247.73**	**27.37**	**-**	**275.09**	**68.08**	**5.76**	**-**	**69.48**	**205.61**	**179.64**
Intangible Assets										
Software	10.20	-	-	10.20	9.40	0.05	-	9.44	0.76	0.80
Development Cost- IT products	-	10.13	-	10.13					10.13	-
Intangible Assets under development										
Software (in development)	-	21.34		21.34					21.34	-
Total - B	**10.20**	**31.47**	**-**	**41.67**	**9.40**	**0.05**	**-**	**9.44**	**32.22**	**0.80**
Total (A+B)	**257.92**	**58.83**	**-**	**316.76**	**77.48**	**1.45**	**-**	**789.27**	**237.83**	**180.44**

Annexure - XII
DETAILS OF CONSOLIDATED LONG TERM LOANS & ADVANCES

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Electricity & Other Deposits	0.59	1.27	0.44
Deposit with Sales Tax Authorities	0.25	0.25	0.25
Deposit with SEZ	0.85	0.10	-
Advance Income Tax TDS	25.89	20.77	17.59
T O T A L	**27.58**	**22.39**	**18.28**

Annexure - XIII
DETAILS OF CONSOLIDATED OTHER NON-CURRENT ASSETS AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Share Issue Expenses (To the extent not written off)	3.23	3.23	2.47
T O T A L	**3.23**	**3.23**	**2.47**

Annexure - XIV
DETAILS OF CONSOLIDATED CURRENT INVESTMENT AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Investment in FD	-	5.49	0.06
T O T A L	**-**	**5.49**	**0.06**

Annexure - XV
DETAILS OF CONSOLIDATED TRADE RECEIVABLES AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Unsecured, considered good			
Less than six months	281.34	197.58	150.59
More than six months	-	117.42	60.19
T O T A L	**281.34**	**315.00**	**210.77**

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
From			
Group Companies	-	-	-
T O T A L	**-**	**-**	**-**

Annexure - XVI
DETAILS OF CONSOLIDATED SHORT TERM LOANS & ADVANCES

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Loans and Advances to Employees	12.20	11.70	11.21
Other Advances Receivable in cash or in Kind	4.04	1.37	2.59
T O T A L	**16.23**	**13.07**	**13.79**

Annexure - XVII
DETAILS OF CONSOLIDATED OTHER CURRENT ASSETS AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,	
		2015	2014
Prepaid Expenses	0.41	0.41	-
T O T A L	**0.41**	**0.41**	**-**

Annexure - XVIII
DETAILS OF CONSOLIDATED OTHER INCOME AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
Other income	7.67	2.81	3.17
Net Profit Before Tax as Restated	39.53	132.13	151.80
Percentage	**19.40**	**2.13**	**2.09**

(₹ in lakhs)

Source of Income				
Interest from Banks on deposits	0.06	0.43	1.14	Non recurring and not related to business activity.
Discount Received	-	-	0.99	Recurring and Related to business activity.
Interest on IT Refund	-	0.14	-	Non recurring and not related to business activity.
Foreign Exchange Gain	7.61	2.24	1.05	Non recurring and not related to business activity.
Total Other income	**7.67**	**2.81**	**3.17**	

Annexure - XIX
DETAILS OF CONSOLIDATED RELATED PARTY TRANSACTIONS, AS RESTATED

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
Key Managerial Persons (Directors)	Aslam Khan	Aslam Khan	Aslam Khan
	Sajid Hameed	Sajid Hameed	Sajid Hameed
	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan
	Shaikh Shahnawaz	Shaikh Shahnawaz	Shaikh Shahnawaz
	Mirza Haroon Baig	Mirza Haroon Baig	Mirza Haroon Baig
Relatives of Key Managerial Persons	Rehana Aslam Khan	Rehana Aslam Khan	Rehana Aslam Khan
	Nazia Sajid Hameed	Nazia Sajid Hameed	Nazia Sajid Hameed
Associates / Eneterprises over which directors and / or their relatives have significant influence	-	Rida Foundation	Transpact Enterprises Pvt. Ltd.
	-	-	Central Hospital Child Care Centre
	-	-	-

Particulars of Transactions with Related Parties

Key Management Persons

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
1) Expenses			
Directors Remuneration (Professional Fees)	5.85	36.27	28.02
Directors Remuneration (Commission)	-	-	-
Re-imbursement of Expenses	-	-	0.44
Rent Expenses	-	-	0.44
Foreign Travel Expenses	-	-	-
2) Finance			
Loan Taken / Received Back	-	-	0.70
Loan Given / Returned back	-	-	-
Investment in Equity	-	-	-
3) Outstanding as at the period /year end			
Receivables	11.05	10.86	10.30
Payable	2.23	2.61	5.81

Relatives of Key Management Persons

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
1) Expenses			
Rent Expenses	1.50	6.82	4.49
2) Finance			
Loan Taken	-	-	-
Loan Given	-	-	-
Investment in Equity	-	-	-
3) Outstanding as at the period /year end			
Receivables	-	-	-
Payable	1.69	0.34	0.67

Associates / Enterprises over which directors and / or their relatives have significant influence

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,	
		2015	2014
1) Expenses			
Donation	-	0.50	1.00
Medical Expenses of Staff	-	-	1.00
2) Finance			
Loan Taken	-	-	-
Loan Given	-	-	-
Investment in Equity	-	-	-
3) Outstanding as at the period /year end			
Receivables	-	-	-
Payable	-	-	-

Annexure - XX
SUMMARY OF CONSOLIDATED ACCOUNTING RATIOS

(₹ in lakhs)

Ratios	June 30, 2015	For the year ended March 31,	
		2015	2014
Restated PAT as per P& L Account	37.89	114.79	133.90
Weighted Average Number of Equity Shares at the end of the Year	304.50	304.50	304.07
No. of Shares outstanding at the end of the year	304.50	304.50	203.00
Net Worth	579.79	548.75	434.65
Earnings Per Share			
Basic & Diluted	0.12	0.38	0.44
Return on Net Worth (%)	6.54%	20.92%	30.81%
Net Asset Value Per Share (Rs)	1.90	1.80	2.14
Nominal Value per Equity share (Rs.)	1.00	1.00	1.00

Annexure - XXI
CONSOLIDATED CAPITALIZATION STATEMENT

(₹ in lakhs)

Particulars	Pre Issue (As at June 30, 2015)	Post Issue
Borrowings		
Short term debt (A)	-	-
Long Term Debt (B)	-	-
Total debts (C)	**-**	-
Shareholders' funds		
Equity share capital	304.50	418.62
Reserve and surplus - as restated	278.52	1,305.60
Total shareholders' funds	**583.02**	**1,724.22**
Long term debt / shareholders funds	-	-
Total debt / shareholders funds	-	-

Independent Auditor's Report for the Standalone Restated Financial Statements of Octaware Technologies Limited

To,
The Board of Directors,
Octaware Technologies Limited
204, Timmy Arcade,
Makwana Road
Mumbai - 400072

Dear Sirs,

Re.: Proposed Public Issue of Equity Shares of Octaware Technologies Limited

13. We have examined the attached Standalone Restated Summary Statement of Assets and Liabilities of **Octaware Technologies Limited,** (hereinafter referred to as "**the Company"**) as at June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, Standalone Restated Summary Statement of Profit and Loss and Standalone Restated Summary Statement of Cash Flow for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 (collectively referred to as the "**Standalone Restated Summary Statements**" or "**Standalone Restated Financial Statements**") annexed to this report and initialed by us for identification purposes. These Standalone Restated Financial 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) on SME Platform of BSE Limited ("**BSE**").

14. These Standalone Restated Summary Statements have been prepared in accordance with the requirements of:

    (iii) Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
    (iv) 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;

15. We have examined such Standalone Restated Financial Statements taking into consideration:

    (i) The terms of reference to our engagements with the Company letter dated 1st October, 2015 requesting us to carry out the assignment, in connection with the Draft 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
    (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").

16. The Standalone Restated Financial Statements of the Company have been extracted by the management from the Standalone Audited Financial Statements of the Company for the period / year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by the Board of Directors.

17. In accordance with the requirements of the Act, ICDR Regulations, Guidance Noteand Engagement Letter, we report that:

    (iv) The "**Standalone Restated Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the Company as at June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the Standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Standalone Restated Summary Statements as set out in **Annexure IV** to this Report.

    (v) The "**Standalone Restated Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the Standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Standalone Restated Summary Statements as set out in **Annexure IV** to this Report.

(vi) The "**Standalone Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the Standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Standalone Restated Summary Statements as set out in **Annexure IV** to this Report.

18. Based on our examination of Standalone audited financial statements, we report that the Standalone Restated Financial Statements have been made after incorporating:

g) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

h) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.

i) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

j) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period / financial year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 which would require adjustments in this Standalone Restated Financial Statements of the Company.

k) 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 Standalone Restated Summary Statements as set out in **Annexure IV** to this report.

l) There are no revaluation reserves, which needed to e disclosed separately in the Standalone Restated Financial Statements in the respective financial years.

19. Audit for the financial year ended on March 31, 2012 and 2011 was conducted by M/s Chetan Mayur & Co., Chartered Accountants and for the financial year / period ended on June 30, 2015, March 31, 2015, 2014, 2013 was conducted by M/s. Ashok K. Surana & Associates, Chartered Accountants and 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 period / financial year ended on June 30, 2015 and March 31, 2015 have been reaudited by us as per the relevant guidelines.

20. 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 period / financial year ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**").

Annexure of Standalone Restated Financial Statements of the Company:-

xxii. Summary Standalone Statement of Assets and Liabilities, as Restated as ANNEXURE I;
xxiii. Summary Standalone Statement of Profit and Loss, as Restated as ANNEXURE II;
xxiv. Summary Standalone Statement of Cash Flow, as Restated as ANNEXURE III;
xxv. Significant Accounting Policies in ANNEXURE IV;
xxvi. Details of Standalone Share Capital as Restated as appearing in ANNEXURE V to this report;
xxvii. Details of Standalone Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
xxviii. Details of Standalone Long Term Provisions as Restated as appearing in ANNEXURE VII to this report;
xxix. Details of Standalone Trade Payables as Restated as appearing in ANNEXURE VIII to this report;

xxx. Details of Standalone Other Current Liabilities as Restated as appearing in ANNEXURE IX to this report;
xxxi. Details of Standalone Fixed Assets as Restated as appearing in ANNEXURE X to this report
xxxii. Details of Standalone Non-Current Investments as Restated as appearing in ANNEXURE XI to this report;
xxxiii. Details of Standalone Long Term Loans & Advances as Restated as appearing in ANNEXURE XII to this report;
xxxiv. Details of Standalone Other Non-Current Assets as Restated as appearing in ANNEXURE XIII to this report
xxxv. Details of Standalone Current Investments as Restated as appearing in ANNEXURE XIV to this report;
xxxvi. Details of Standalone Trade Receivables as Restated as appearing in ANNEXURE XV to this report
xxxvii. Details of Standalone Short Term Loans & Advances as Restated as appearing in ANNEXURE XVI to this report;
xxxviii. Details of Standalone Other Income as Restated as appearing in ANNEXURE XVII to this report;
xxxix. Details of Standalone Related Parties Transactions as Restated as appearing in ANNEXURE XVIII to this report;
xl. Details of Standalone Significant Accounting Ratios as Restated as appearing in ANNEXURE XIX to this report;
xli. Standalone Capitalization Statement as Restated as appearing in ANNEXURE XX to this report;
xlii. Standalone Statement of Tax Shelters as Restated as appearing in ANNEXURE XXI to this report;

21. 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.

22. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

23. In our opinion, the above financial information contained in Annexure I to XX of this report read with the respective Significant Accounting Polices and Notes to Standalone Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note.

24. 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 R T Jain & Co.
Chartered Accountants
Firm Registration no.103961W

(CA Bankim Jain)
Partner
Membership No.139447

Mumbai, December 18, 2015

Annexure - I

STATEMENT OF STANDALONE ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
EQUITY AND LIABILITIES						
Shareholders' Funds						
a. Share Capital	304.50	304.50	203.00	2.00	1.00	1.00
b. Reserves & Surplus	148.89	149.21	175.08	281.21	246.62	227.89
Non Current Liabilities						
a. Long Term Borrowings	-	-	-	-	-	-
b. Deferred Tax Liabilities	-	-	-	-	-	-
c. Other Long Term Liabilities	-	-	-	-	-	-
d. Long Term Provisions	1.67	1.67	1.67	1.67	1.67	2.14
Current Liabilities						
a. Short Term Borrowings	-	-	-	-	-	-
b. Trade Payables	4.92	4.23	10.18	11.76	16.07	7.15
c. Other Current Liabilities	11.50	9.22	12.05	14.47	12.16	11.55
d. Short Term Provisions	-	-	-	-	-	-
T O T A L	**471.48**	**468.83**	**401.98**	**311.11**	**277.53**	**249.75**
ASSETS						
Non Current Assets						
a. Fixed Assets						
i. Tangible Assets	94.05	76.57	231.14	72.27	71.74	65.29
ii. Intangible Assets	10.20	10.20	10.20	10.20	4.64	4.64
Less: Accumulated Depreciation	(78.61)	(77.48)	(71.46)	(66.42)	(56.78)	(43.50)
iii. Intangible Assets under development	18.92	-	-	-	-	-
iv. Capital Work in Progress	-	-	-	-	-	3.47
Net Block	44.56	9.29	169.88	16.05	19.60	29.90
b. Deferred Tax Assets (Net)	1.83	1.96	1.30	1.20	0.92	2.76
c. Non-current Investments	174.40	174.40	16.02	-	-	-
d. Long Term Loans & Advances	26.38	21.27	17.95	39.12	43.60	47.14
e. Other Non Current Assets	3.05	3.05	2.47	-	-	-
Current Assets						
a. Current Investment	-	5.49	0.06	5.16	0.06	0.04
a. Trade Receivables	192.19	224.27	165.70	198.47	160.15	99.19
b. Cash and Cash Equivalents	15.34	15.02	14.81	47.99	51.72	68.69
c. Short Term Loans & Advances	13.72	14.07	13.79	3.13	1.48	2.02
d. Other Current Assets	-	-	-	-	-	-
T O T A L	**471.48**	**468.83**	**401.98**	**311.11**	**277.53**	**249.75**

Annexure - II
STATEMENT OF STANDALONE PROFIT AND LOSS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
INCOME						
Revenue from Operations	44.67	328.18	306.88	299.16	290.09	369.91
Other Income	0.06	0.57	1.14	0.52	2.38	-
Total Income (A)	**44.73**	**328.75**	**308.01**	**299.68**	**292.47**	**369.91**
EXPENDITURE						
Employee benefit expenses	22.23	97.26	79.65	80.91	119.52	92.51
Finance costs	-	-	-	-	-	0.08
Depreciation and amortisation expense	1.13	6.39	5.31	9.64	13.29	13.34
Other Expenses	21.56	132.13	130.30	163.99	128.37	124.28
Total Expenses (B)	**44.92**	**235.77**	**215.26**	**254.54**	**261.18**	**230.22**
Profit before extraordinary items and tax (A-B)	**(0.19)**	**92.98**	**92.76**	**45.14**	**31.29**	**139.70**
Extraordinary items	-	-	-	-	-	-
Profit before tax	**(0.19)**	**92.98**	**92.76**	**45.14**	**31.29**	**139.70**
Tax expense :						
(i) Current tax	-	18.00	18.00	10.84	10.72	28.07
(ii) Deferred tax	0.13	(0.66)	(0.11)	(0.28)	1.85	(2.76)
(iii) MAT Credit - Current Year	-	-	-	-	-	(25.15)
Total Tax Expense	**0.13**	**17.34**	**17.89**	**10.56**	**12.57**	**0.17**
Profit for the year (D-E)	**(0.32)**	**75.63**	**74.87**	**34.59**	**18.73**	**139.53**

Annexure - III
STATEMENT OF STANDALONE CASH FLOW, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Cash flow from operating activities:						
Net Profit / (Loss) before tax as per Statement of Profit And Loss	(0.19)	92.98	92.76	45.14	31.29	139.70
Adjusted for:						
Depreciation & Amortisation	1.13	6.39	5.31	9.64	13.29	13.34
Interest & Finance Cost	-	-	-	-	-	0.08
Provision for Bad & Doubtful Debts	-	-	-	-	-	5.92
Interest Income	(0.06)	(0.43)	(1.14)	(0.52)	(0.02)	-
Foreign Exchange Loss/(Gain)	1.12	2.40	2.90	3.40	(2.36)	2.75
Operating Profit Before Working Capital Changes	**2.01**	**101.33**	**99.83**	**57.66**	**42.19**	**161.79**
Adjusted for (Increase)/ Decrease:						
Trade Receivables	30.96	(60.97)	29.87	(41.72)	(58.59)	(81.59)
Loans and advances and other assets	2.98	(2.26)	(2.49)	2.48	1.05	2.27
Trade Payables	0.69	(5.95)	(1.58)	(4.32)	8.92	(7.82)
Liabilities & Provisions	2.29	(2.83)	(2.42)	(2.31)	0.13	7.67
Cash Generated From Operations	38.93	29.31	123.21	16.43	(6.29)	82.31
Direct Tax Paid	(7.75)	(20.29)	(7.76)	(10.48)	(7.70)	(26.36)
Net Cash Flow from/(used in) Operating Activities: (A)	**31.18**	**9.03**	**115.46**	**5.94**	**(13.99)**	**55.93**
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(36.40)	(3.82)	(158.86)	(6.09)	(2.98)	(22.35)
Sale of Fixed Assets	-	-	-	-	-	-
Interest Income	0.06	0.43	1.14	0.52	0.02	-
(Purchase)/Sale of Investments	5.49	(5.43)	(10.92)	(5.10)	(0.02)	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(30.85)**	**(8.82)**	**(168.64)**	**(10.67)**	**(2.98)**	**(22.35)**
Cash Flow from Financing Activities:						
Proceeds From Share Capital & Share Premium	-	-	20.00	1.00	-	-
Interest & Financial Charges	-	-	-	-	-	(0.08)
Net Cash Flow from/(used in) Financing Activities (C)	**-**	**-**	**20.00**	**1.00**	**-**	**(0.08)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**0.32**	**0.21**	**(33.18)**	**(3.73)**	**(16.97)**	**33.50**
Cash & Cash Equivalents As At Beginning of the Year	**15.02**	**14.81**	**47.99**	**51.72**	**68.69**	**35.19**
Cash & Cash Equivalents As At End of the Year	**15.34**	**15.02**	**14.81**	**47.99**	**51.72**	**68.69**

Annexure – IV
RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. CORPORATE INFOMRATION

The Company was incorporated as Octaware Technologies Private Limited in 2005 in Maharashtra. The Company is into the business line of developing, designing and servicing computer software and information technology related applications and systems. The Company has 2 units

Unit 1 – in Mumbai,
Unit 2 – in Pune, catering to domestic market and it also serves as training centre.

The Company has setup a 100% (WOS) Company – Octaware GULF FZE at Dubai.

The Company has a Subsidiary Company – Octaware Information Technologies Private Limited at SEZ Andheri (East), Mumbai, in which the company holds 99.37% of Paid-up Share Capital.

B. SIGNIFICANT ACCOUNTING POLICIES:

13. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and the related restated summary statement of profits and loss and cash flows for the period / years ended June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on June 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

14. Use of Estimates:

The preparation of restated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

15. Current and non-current classification:

All the Assets and Liabilities have been classified as current and non-current based on the normal operating cycle of the Company and other criteria laid down in Schedule III of the Companies Act, 2013. Based on the nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

16. Revenue Recognition:

Revenue from time and material contracts are recognized as related services are performed.

17. Fixed Assets and Depreciation:

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. All Cost including any cost attributable in brining the assets to their working condition for their intended use is capitalized. Expenditure on additions, improvement and renewable is capitalized.

Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the period / year ended on June 30, 2015 and March 31, 2015.For the year ended on March 31, 2014, 2013, 2012 and 2011 depreciation has been charged on written down value basis using the rates prescribed under Schedule XIV of the Companies Act, 1956.

18. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

19. Valuation of Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise, Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

20. Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered. Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss in the year in which actual payment is made to the employee.

21. Provision for Current Tax and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from the timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in the future.

22. Contingent Liabilities / Provisions:

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts. Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

23. Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

24. Foreign Currency Transactions:

Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are adjusted at the year end exchange rates. Any gain or loss arising on account of exchange difference either on settlement or no translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities.

RECONCILIATION OF STANDALONE RESTATED PROFITS

(₹ in lakhs)

Adjustments for	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	**0.14**	**76.27**	**74.76**	**34.30**	**18.69**	**138.68**
Adjustments for:						

Change in Foreign Exchange Gain/(Loss)	(0.17)	0.96	-	-	-	-
Change in Depreciation	(0.23)	(2.26)	-	-	-	-
Deferred Tax Asset/(Liability) Adjustment	(0.13)	0.66	0.11	0.28	(1.85)	2.76
Change in Tax Provision	0.07	-	-	-	1.89	(1.91)
Net Profit/ (Loss) After Tax as Restated	**(0.32)**	**75.63**	**74.87**	**34.58**	**18.73**	**139.53**

Notes of Reconciliation of profits

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the Revised Schedule VI notified under the Act, had become applicable to the Company, for preparation and presentation of its financial statements. Accordingly, the Company has prepared the financial statements for the year ended 31 March 2012 onwards in accordance with Revised Schedule VI of the Act. The adoption of Revised Schedule VI of the Act does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended 31 March 2011 in accordance with the requirements of Revised Schedule VI of the Act, to the extent possible.

5. ***Change in Foreign Exchange Gain/(Loss)***

   The Company had not recognized Foreign Exchange Gain/(Loss) for the receivables as per AS – 11 : Effects of Changes in Foreign Exchange Rates.

6. ***Change in Depreciation***

   The Company had provided depreciation on Fixed Assets as per rates specified in Revised Schedule VI of Companies Act, 1956 which has now been reworked as per Schedule II to the Companies Act, 2013 and provided.

7. ***Deferred Tax Asset/(Liability) Adjustment***

   The Company has not provided provision for Deferred Tax Assets & Liability in his books of accounts which has now been reworked as per restated accounts and provided.

8. ***Change in Tax Provision***

   As per Audited Financial Statements for the year ended 31st March, 2011 & 31st March, 2012, the company had provided for excess/short provision for tax of earlier years which has now been changed and provided in the respective year.

   As per Audited Financial Statements for the quarter ended 30th June, 2015, the company had provided for Provision for Tax of ₹ 7000 which has now been changed as Company need not have to pay tax as per Restated Financial Statements for the said quarter.

Material regroupings

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended 31 March 2015, prepared in accordance with Revised schedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Annexure – V
DETAILS OF STANDALONE SHARE CAPITAL, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Share Capital						
Authorised Share capital						
Equity Share of ₹ 10/- each	350.00	350.00	250.00	2.00	2.00	2.00

Issued, Subscribed & Fully Paid Up share capital						
Equity Share of ₹ 10/- each	304.50	304.50	203.00	2.00	1.00	1.00
T O T A L	**304.50**	**304.50**	**203.00**	**2.00**	**1.00**	**1.00**

Annexure - VI
DETAILS OF STANDALONE RESERVES & SURPLUS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Profit & Loss Account						
Opening Balance	130.21	156.08	281.21	246.62	227.90	88.74
Add: Profit for the year	(0.32)	75.63	74.87	34.59	18.73	139.53
Less: Appropriations						
Less: Bonus Shares Issued	-	(101.50)	(200.00)	-	-	-
Closing Balance	**129.89**	**130.21**	**156.08**	**281.21**	**246.62**	**227.90**
Share Premium				-	-	-
Opening Balance	19.00	19.00	-	-	-	-
Add: Premium received during the year	-	-	19.00	-	-	-
Closing Balance	**19.00**	**19.00**	**19.00**	**-**	**-**	**-**
T O T A L	**148.89**	**149.21**	**175.08**	**281.21**	**246.62**	**229.78**

Annexure - VII
DETAILS OF STANDALONE LONG TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Provision for Employee Benefits	1.67	1.67	1.67	1.67	1.67	2.14
T O T A L	**1.67**	**1.67**	**1.67**	**1.67**	**1.67**	**2.14**

Annexure - VIII
DETAILS OF STANDALONE TRADE PAYABLES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Unsecured, considered good						
Due to MSME	-	-	-	-	-	-
Others	4.92	4.23	10.18	11.76	16.07	7.15
T O T A L	**4.92**	**4.23**	**10.18**	**11.76**	**16.07**	**7.15**

Annexure - IX
DETAILS OF STANDALONE OTHER CURRENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Salary Payable	5.00	1.14	6.10	6.23	5.60	7.41
Statutory Dues	0.64	2.09	2.08	2.82	3.38	3.79
Creditors for Expenses	5.86	5.99	3.88	5.42	3.17	0.35
T O T A L	**11.50**	**9.22**	**12.05**	**14.47**	**12.16**	**11.55**

Annexure - X
DETAILS OF STANDALONE FIXED ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Upto 01.04.2010	For The Year	Deductions / Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets										
Computer & Printers	31.20	9.61	-	40.81	22.78	6.32	-	29.10	11.71	8.42
	-									
Furniture & Fixtures	13.92	1.74	-	15.66	6.10	2.75	-	8.85	6.81	7.82
Office Equipment	5.94	2.88	-	8.82	1.28	0.96	-	2.24	6.58	4.66
Total - A	**51.06**	**14.23**	**-**	**65.29**	**30.16**	**10.03**	**-**	**40.19**	**25.10**	**20.90**
Intangible Assets										
Software	-	4.64	-	4.64	-	3.31	-	3.31	-	3.31
Total - B	**-**	**4.64**	**-**	**4.64**	**-**	**3.31**	**-**	**3.31**	**-**	**3.31**
Total (A+B)	**51.06**	**18.88**	**-**	**69.93**	**30.16**	**13.34**	**-**	**43.50**	**25.10**	**24.20**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Upto 01.04.2011	For The Year	Deductions / Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Computer & Printers	40.81	5.11	-	45.92	29.10	9.70	-	38.80	7.12	11.71
Furniture & Fixtures	15.66	0.64	-	16.30	8.85	1.66	-	10.51	5.78	6.81
Office Equipment	8.82	0.70	-	9.53	2.24	1.12	-	3.36	6.16	6.58
	-	-	-	-	-	-	-	-	-	-
Total - A	**65.29**	**6.45**	**-**	**71.74**	**40.19**	**12.48**	**-**	**52.68**	**19.07**	**25.10**
	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Software	4.64	-	-	4.64	3.31	0.80	-	4.11	0.54	1.34

	-	-	-	-	-	-	-	-	-	-
Total - B	**4.64**	**-**	**-**	**4.64**	**3.31**	**0.80**	**-**	**4.11**	**0.54**	**1.34**
	-	-	-	-	-	-	-	-	-	-
Total (A+B)	**69.93**	**6.45**	**-**	**76.39**	**43.50**	**13.29**	**-**	**56.79**	**19.60**	**26.43**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Upto 01.04.2012	For The Year	Deductions / Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets										
Computer & Printers	45.92	-	-	45.92	38.80	4.26	-	43.06	2.87	7.12
Furniture & Fixtures	16.30	-	-	16.30	10.51	1.05	-	11.56	4.73	5.78
Office Equipment	9.53	0.53	-	10.06	3.36	0.91	-	4.27	5.79	6.16
Total - A	**71.74**	**0.53**	**-**	**72.28**	**52.68**	**6.21**	**-**	**58.89**	**13.39**	**19.07**
Intangible Assets										
Software	4.64	5.56	-	10.20	4.11	3.43	-	7.54	2.66	0.54
Total - B	**4.64**	**5.56**	**-**	**10.20**	**4.11**	**3.43**	**-**	**7.54**	**2.66**	**0.54**
Total (A+B)	**76.39**	**6.09**	**-**	**82.48**	**56.79**	**9.64**	**-**	**66.42**	**16.05**	**19.60**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Upto 01.04.2013	For The Year	Deductions / Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Computer & Printers	45.92	-	-	45.92	43.06	1.70	-	44.76	1.16	2.87
Furniture & Fixtures	16.30	-	-	16.30	11.56	0.86	-	12.42	3.88	4.73
Office Equipment	10.06	0.48	-	10.54	4.27	0.88	-	5.15	5.39	5.79
Office Premises	-	158.38	-	158.38	-	-	-	-	158.38	-

Total - A	**72.28**	**158.86**	**-**	**231.14**	**58.89**	**3.44**	**-**	**62.33**	**168.81**	**13.39**
Intangible Assets										
Software	10.20	-	-	10.20	7.54	1.60	-	9.13	1.07	2.66
Total - B	**10.20**	**-**	**-**	**10.20**	**7.54**	**1.60**	**-**	**9.13**	**1.07**	**2.66**
Total (A+B)	**82.48**	**158.86**	**-**	**241.34**	**66.42**	**5.04**	**-**	**71.46**	**169.88**	**16.05**

(₹ in lakhs)

Particulars	**GROSS BLOCK**				**DEPRECIATION**				**NET BLOCK**	
	As at 01.04.2014	**Additions**	**Deductions**	**As at 31.03.2015**	**Upto 01.04.2014**	**For The Year**	**Deductions / Adjustments**	**Upto 31.03.2015**	**As at 31.03.2015**	**As at 31.03.2014**
Tangible Assets										
Computer & Printers	45.92	3.73	-	49.66	44.76	0.24	-	45.00	4.66	1.16
Furniture & Fixtures	16.30	0.09	-	16.38	12.42	1.33	-	13.75	2.63	3.88
Office Equipment	10.54	-	-	10.54	5.15	4.18	-	9.33	1.21	5.39
Office Premises	158.38	-	158.38	-	-	-	-	-	-	158.38
Total - A	**231.14**	**3.82**	**158.38**	**76.57**	**62.33**	**5.76**	**-**	**68.08**	**8.49**	**168.81**
Intangible Assets										
Software	10.20	-	-	10.20	9.13	0.26	-	9.40	0.80	1.07
Total - B	**10.20**	**-**	**-**	**10.20**	**9.13**	**0.26**	**-**	**9.40**	**0.80**	**1.07**
Total (A+B)	**241.34**	**3.82**	**158.38**	**86.77**	**71.46**	**6.02**	**-**	**77.48**	**9.29**	**169.88**

(₹ in lakhs)

Particulars	**GROSS BLOCK**				**DEPRECIATION**				**NET BLOCK**	
	As at 01.04.2015	Additions	Deductions	As at 30.06.2015	Upto 01.04.2015	For The Period	Deductions / Adjustments	Upto 30.06.2015	As at 30.06.2015	As at 31.03.2015
Tangible Assets										

Computer & Printers	49.66	0.87	-	50.52	45.00	0.31	-	45.31	5.21	4.66
Furniture & Fixtures	16.38	4.37	-	20.75	13.75	0.42	-	14.17	6.57	2.63
Office Equipment	10.54	0.25	-	10.78	9.33	0.23	-	9.56	1.22	1.21
Vehicle	-	12.00	-	12.00	-	0.12	-	0.12	11.88	-
Total - A	76.57	17.48	-	94.05	68.08	1.09	-	69.17	24.88	8.49
Intangible Assets										
Software	10.20	-	-	10.20	9.40	0.05	-	9.44	0.76	0.80
Intangible Assets Under Development										
Software (in Development)	-	18.92	-	18.92	-	-	-	-	18.92	-
Total - B	**10.20**	**18.92**	**-**	**29.12**	**9.40**	**0.05**	**-**	**9.44**	**19.68**	**0.80**
Total (A+B)	**86.77**	**36.40**	**-**	**123.17**	**77.48**	**1.13**	**-**	**78.61**	**44.56**	**9.29**

Annexure - XI
DETAILS OF STANDALONE NON CURRENT INVESTMENT, AS RESTATED

(₹ in lakhs)

Particulars	**June 30, 2015**	**As at March 31,**				
		2015	**2014**	**2013**	**2012**	**2011**
Unquoted						
Equity Shares of Octaware Gulf FZE	16.02	16.02	16.02	-	-	-
Equity Shares of Octaware Information Technologies Pvt. Ltd.	158.38	158.38	-	-	-	-
T O T A L	**174.40**	**174.40**	**16.02**	**-**	**-**	**-**

Annexure - XII
DETAILS OF STANDALONE LONG TERM LOANS & ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Loans and Advances to Employees	-	-	-	11.00	11.00	11.00
Security Deposits	-	-	-	-	3.88	3.50
Electricity & Other Deposits	0.25	0.25	0.11	0.14	0.14	0.09
Deposit with Sales Tax Authorities	0.25	0.25	0.25	0.25	0.25	0.25
Service Tax Receivable	-	-	-	-	0.25	-
Advance Income Tax	25.89	20.77	17.59	27.72	28.08	32.29
T O T A L	**26.38**	**21.27**	**17.95**	**39.12**	**43.60**	**47.14**

Annexure - XIII
DETAILS OF STANDALONE OTHER NON-CURRENT ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Share Issue Expenses	3.05	3.05	2.47	-	-	-
T O T A L	**3.05**	**3.05**	**2.47**	**-**	**-**	**-**

Annexure - XIV
DETAILS OF STANDALONE CURRENT INVESTMENT, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Investment in FD	-	5.49	0.06	5.16	0.06	0.04
T O T A L	-	5.49	0.06	5.16	0.06	0.04

Annexure - XV
DETAILS OF STANDALONE TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Unsecured, considered good						
Less than six months	192.19	106.85	105.51	135.94	158.83	92.71
More than six months	-	117.42	60.19	62.53	1.31	12.40
Less:- Provision for Doubtful Debts	-	-	-	-	-	(5.92)
T O T A L	192.19	224.27	165.70	198.47	160.15	99.19

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
From						
Group Companies	23.29	46.57	-	-	-	-
T O T A L	**23.29**	**46.57**	**-**	**-**	**-**	**-**

Annexure - XVI
DETAILS OF STANDALONE SHORT TERM LOANS & ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	As at March 31,				
		2015	2014	2013	2012	2011
Loans and Advances to Employees	12.20	11.70	11.21	1.28	0.38	0.83
Other Advances	1.53	2.37	2.59	1.85	1.10	1.19
T O T A L	**13.72**	**14.07**	**13.79**	**3.13**	**1.48**	**2.02**

Annexure – XVII
DETAILS OF STANDALONE OTHER INCOME, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the Year Ended March 31,				
		2015	2014	2013	2012	2011
Other income	0.06	0.57	1.14	0.52	2.38	-
Net Profit Before Tax as Restated	**(0.19)**	**92.98**	**92.76**	**45.14**	**31.29**	**139.70**
Percentage	(29.79%)	0.61%	1.23%	1.15%	7.62	-

(₹ in lakhs)

Source of Income							
Interest from Bank on Deposits	0.06	0.43	1.14	0.52	0.02		Non recurring and not related to business activity.
Other Interest	-	0.14	-	-	-	-	Non recurring and not related to business activity.
Foreign Exchange Gain	-	-	-	-	2.36	-	Non recurring and not related to business activity.
Total Other Income	**0.06**	**0.57**	**1.14**	**0.52**	**2.38**	**-**	

Annexure - XVIII
DETAILS OF STANDALONE RELATED PARTY TRANSACTIONS, AS RESTATED

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Key Managerial Persons (Directors)	Aslam Khan	Aslam Khan	Aslam Khan	Aslam Khan	Aslam Khan	Aslam Khan
	Sajid Hameed	Sajid Hameed	Sajid Hameed	Sajid Hameed	Sajid Hameed	Sajid Hameed
	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan	Mohammed Siraj Gunwan
	Shaikh Shahnawaz	Shaikh Shahnawaz	Shaikh Shahnawaz	Shaikh Shahnawaz	Shaikh Shahnawaz	Shaikh Shahnawaz
	Mirza Haroon Baig	Mirza Haroon Baig	Mirza Haroon Baig	Mirza Haroon Baig	Mirza Haroon Baig	Mirza Haroon Baig
Relatives of Key Managerial Persons	Rehana Aslam Khan	Rehana Aslam Khan	Rehana Aslam Khan	Rehana Aslam Khan	Rehana Aslam Khan	Rehana Aslam Khan
	Nazia Sajid Hameed	Nazia Sajid Hameed	Nazia Sajid Hameed	Nazia Sajid Hameed	Nazia Sajid Hameed	Nazia Sajid Hameed
Subsidiaries	Octaware Gulf FZE	Octaware Gulf FZE	Octaware Gulf FZE	-	-	-
	Octaware Information Technologies Pvt. Ltd.	Octaware Information Technologies Pvt. Ltd.	-	-	-	-
Associates /		Rida	Transpact			

Eneterprises over which directors and / or their relatives have significant influence	-	Foundation	Enterprises Pvt. Ltd.	-	-	-
	-	-	Central Hospital Child Care Centre	-	-	-
	-	-	-	-	-	-

Particulars of Transactions with Related Parties

Key Management Persons

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
1) Expenses						
Directors Remuneration (Professional Fees)	5.85	36.27	28.02	42.95	36.85	26.18
Directors Remuneration (Commission)	-	-	-	-	-	18.00
Re-imbursement of Expenses	-	-	0.44	1.00	(0.29)	6.99
Rent Expenses	-	-	0.44	1.33	1.33	1.08
Foreign Travel Expenses	-	-	-	1.75	-	-
2) Finance						
Loan Taken / Received Back	-	-	0.70	-	-	-
Loan Given / Returned back	-	-	-	-	-	-
Investment in Equity	-	-	-	1.00	-	-
3) Outstanding as at the period /year end						
Receivables	11.05	10.86	10.30	11.00	11.00	11.52
Payable	2.23	2.61	5.81	20.56	8.59	4.01

Relatives of Key Management Persons

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
1) Expenses						
Rent Expenses	1.50	6.82	4.49	4.29	3.98	2.38
2) Finance						
Loan Taken	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-
Investment in Equity	-	-	-	-	-	-
3) Outstanding as at the period /year end						
Receivables	-	-	-	-	-	-
Payable	1.69	0.34	0.67	0.24	1.99	0.10

Associates / Enterprises over which directors and / or their relatives have significant influence

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
1) Expenses						
Donation	-	0.50	1.00	-	-	-
Medical Expenses of Staff	-	-	1.00	-	-	-
2) Finance						
Loan Taken	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-

Investment in Equity	-	-	-	-	-	-
3) Outstanding as at the period /year end						
Receivables	-	-	-	-	-	-
Payable	-	-	-	-	-	-

Subsidiaries

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
1) Expenses	-	-	-	-	-	-
2) Income	-	-	-	-	-	-
Sales		80.90	36.66			
2) Finance						
Loan Taken	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-
Investment in Equity	-	158.38[(1)]	16.02	-	-	-
3) Outstanding as at the period /year end						
Receivables	24.29	47.57	-	-	-	-
Payable	-	-	-	-	-	-

[(1)] *Office premises at SEEPZ Andheri was transferred from OT to OIT vide MOU dated March 19, 2015 and in lieu of the same shares worth ₹ 158.38 were allotted to OT by OIT*

Annexure - XIX
SUMMARY OF STANDALONE ACCOUNTING RATIOS

(₹ in lakhs)

Ratios	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Restated Profit / (Loss) as per Statement of Profit and Loss	(0.32)	75.63	74.87	34.59	18.73	139.53
Weighted Average Number of Equity Shares at the end of the Year	304.50	304.50	304.07	30.28	30.25	30.25
No. of Shares outstanding at the end of the year	304.50	304.50	203.00	0.20	0.10	0.10
Net Worth	450.33	450.66	375.61	283.21	247.62	230.78
Earnings Per Share						
Basic & Diluted (₹)	(0.01)	0.25	0.25	1.14	0.62	4.61
Return on Net Worth (%)	(0.07%)	16.78%	19.93%	12.21%	7.56%	60.96%
Net Asset Value Per Share (Rs)	1.48	1.48	1.85	1,416.05	2,476.25	2,288.99
Nominal Value per Equity share (₹)	1.00	1.00	1.00	10.00	10.00	10.00

Annexure - XX
STANDALONE CAPITALISATION STATEMENT

(₹ in lakhs)

Particulars	Pre Issue (As at June30, 2015)	Post Issue
Borrowings		
Short term debt (A)	-	-
Long Term Debt (B)	-	-
Total debts (C)	-	-
Shareholders' funds		

Equity share capital	304.50	418.62
Reserve and surplus - as restated	148.89	1,175.97
Total shareholders' funds	453.39	1,594.59
Long term debt / shareholders funds	-	-
Total debt / shareholders funds	-	-

Annexure - XXI
STATEMENT OF TAX SHELTERS, AS RESTATED

(₹ in lakhs)

Particulars	June 30, 2015	For the year ended March 31,				
		2015	2014	2013	2012	2011
Restated Profit / (Loss) before tax (A)	(0.19)	92.98	92.76	45.14	31.29	139.70
Income Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%	33.22%
Minimum Alternate Tax Rate	19.06%	19.06%	19.06%	19.06%	19.06%	19.93%
Tax at notional rate on profits	(0.06)	28.73	28.66	13.95	9.67	46.40
Adjustments :						
Permanent Differences(B)						
Expenses disallowed under Income Tax Act, 1961	-	-	-	-	1.55	0.49
Expenses allowed u/s 352AA	-	-	-	(10.58)	-	-
Penalty	-	-	0.52	0.05	0.02	0.15
Provision for Doubtful Debts	-	-	-	-	(0.47)	5.92
Provision for Gratuity	-	-	-	-	-	1.13
Donation	-	0.50	1.52	-	0.25	0.12
Interest on delayed payment of TDS	-	-	0.01	0.02	-	-
Total Permanent Differences(B)	-	0.50	2.05	(10.51)	1.35	7.82
Timing Differences (C)						
Difference between tax depreciation and book depreciation	(0.43)	2.12	0.34	0.44	2.17	0.61
Difference due to expenses allowable/ disallowable u/s 43B	-	-	-	-	-	0.53
Total Timing Differences (C)	(0.43)	2.12	0.34	0.44	2.17	1.14
Net Adjustments D = (B+C)	(0.43)	2.62	2.39	(10.07)	3.52	8.96
Tax expense / (saving) thereon	(0.13)	0.81	0.74	(3.11)	1.09	2.97
Deduction under Chapter VI-A (E)						
Deduction u/s 80G	-	-	-	-	(0.13)	-
Deduction u/s 10A	-	-	-	-	-	(148.65)
Total Deduction under Chapter VI-A (E)	-	-	-	-	(0.13)	(148.65)
Taxable Income/(Loss) (A+D+E)	(0.62)	95.60	95.15	35.08	34.69	-
Taxable Income/(Loss) as per MAT	(0.19)	92.98	92.76	45.14	30.82	139.70
Income Tax as returned/computed	(0.19)	29.54	29.40	10.84	10.72	27.84
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal	MAT

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years.

CHANGE IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

Our Company is a software development, enterprise solution and consulting firm engaged in the business of providing a range of Information Technology ("IT") solutions to companies across sectors such as Healthcare, Education, Telecom, Oil & Gas, Real Estate & Construction, Banking & Financial Services and Manufacturing sectors. We design, develop and maintain software systems and solutions, creates new applications and enhances the functionality of our customers' existing software products.

We endeavour to bring together creativity and knowledge with positive business strategy to furnish the requirements of diverse clients with an inclusive range of products and services which are comprehensive and cost-effective so that the client can focus on their core-competencies to improve or expand their businesses. Our Company delivers services across all stages of the product life-cycle, which enables us to work with a wide-range of customers and allows us to develop, enhance and deploy our customers' software products. The various services offered by our Company are Software Development Services, Enterprise Portal, ERP and CRM Implementation, Consulting Services, Mobile Solutions, RFID Solutions, Cloud and IT Infrastructure Services and Geospatial Services. Our comprehensive suite of service offerings allows us to attract new customers and expand existing customer relationships. We also provide an array of products and solutions like PowerERM – Employee Relationship Management, Hospice – Healthcare Solution and iOnAsset – Asset Tracking & Management System, RealWin – Real Estate CRM Solution, Life2Care – Patient Relationship Management, eDocNet – Enterprise Content and Document Management Solution and eQuire – Office Automation and eProcurement Management Solution which help our clients in strategising their business objectives.

As an offshore outsourcing company, we have various offshore development centres in India. Currently, we have 3 offices in India, including our registered office, a SEZ office in Mumbai and a development office in Pune.

Our Company is promoted by Mr. Aslam Khan and Mr. Sajid Hameed who individually have approximate 20 years of experience. Having worked with technology companies like TCS, Microsoft, Citibank and AskMe Inc., Mr. Aslam Khan started Octaware in 2005 pooling all his experience. He was aided by Mr. Sajid Hameed who has rich experience in setting up business, developing markets, managing customers and handling overall businesses. In the year 2006, our Company acquired 2 large customers in US and the growth continued with our establishing partner relationships in Qatar in 2007, allowing us to offer specialised solution for the Middle East market. Later in 2008, our Company introduced solutions for various industries like healthcare, professional services and real-estate industry by investing in in-house product development.

COMPETITION

The market for IT Products and Services is both, highly competitive and rapidly evolving. It has evolved into a consolidated global industry and we face competition both in the domestic as well as the export markets. We primarily face competition from the small and large Indian IT services companies as well as international technology services companies which offer broad-based services, offshore captive centres of global corporations and technology firms. We anticipate this competition to continue to grow as the demand for these services increases and we also expect additional companies to enter the Indian market. We expect that further competition will increase and potentially include firms in countries with lower personnel costs than those prevailing in India.

Further, Clients that presently outsource a significant proportion of their IT service requirements to vendors in India may seek to reduce their dependence on one country and outsource work to other offshore destinations such as China, Russia and Eastern European countries. Also, many countries have the advantage of being located in proximity to our main export markets of American and European countries. We also face competition from other countries mainly in US and European countries that have advanced technology and ability to cater to large scale businesses in different parts of the world.

We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products.

Significant Developments after June 30, 2015 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Except as otherwise stated in this Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

Revenue Generation

We earn our revenue from sale of IT products, services and solutions. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customers' existing software products and cater to various industries in the domestic as well as international markets.

We also have a robust marketing team allocated amongst different divisions each handled by well trained Managers who are in turn headed by the Managing Director.

Continued Relationships with Customers, Key Partners and Vendors

We have developed strong relationships with several key customers. We intend to deepen our relationships with our customers by offering customised, cross-sector, end-to-end products and solutions and procure repeat orders. Our ability to maintain and strengthen our relationships with such customers will affect our revenues.

We have established relationships with several key partners in various countries across the world. Our ability to continue offer our products and services is dependent on our continued relationships with such key partners. We believe that our long-standing relationship with such companies has led to effective knowledge sharing and the adoption of global best practices, thereby enabling us to improve and develop our in-house service capabilities. Such tie-ups have also allowed us to develop credibility, as we are able to cater to our customers in a quick and effective manner. Consequently, the development and continued maintenance of relationships with our partners is a key factor in the operation of our business.

Ability to deliver New and Innovative end-to-end Products and Services

The business segments in which we operate are characterised by evolving industry standards, changing customer preferences and introduction of new technologies, products and services. Responding to opportunities to expand into other services to complement our product offerings is a key element of our growth strategy. As new technologies develop, our infrastructure may need to be replaced or upgraded, or we may need to develop completely new services to maintain our competitive position. We expect that our ability to anticipate these technological advances and develop innovative end-to-end solutions for our customers to meet their requirements in a timely and cost-effective manner will have a significant effect on our results of operations.

Further, we believe that the diversification of our business and revenue base is a key component of our success. We believe that our financial performance is tied to our ability to provide diversified, customised end-to-end products and services to existing and new customers. We have expanded our business in Middle East, Europe, South Asia, USA and Africa and continue to grow our reach of products and services. To the extent that our expansion strategy is successful, it will mitigate risks associated with revenue concentration.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

Increasing competition in the industry

Our Company faces competition from local, national and international pharmaceutical companies and traders. Our Company operates in competitive environment which may force us to reduce the prices of our products and it may have an effect on our margins.

Capital Requirements and Availability of Funding

Our business is steadily expanding in India and in various countries in the world and a substantial amount of capital is required to build a base in our expanded markets. We may require a significant amount of capital to purchase offices, computers, software, etc. for initial set-up or for acquiring new businesses and expand our operations into new jurisdictions. We expect that in order to grow, we would require working capital and capital expenditures for our various subsidiaries and group companies which aid us in our revenue generation. To the extent that our capital requirements exceed available resources, we will be required to seek additional equity financing. Our ability to obtain additional financing will also depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions and economic, political and other conditions in the markets where we operate. Our ability to finance our short term and long term capital needs is a key factor in the operation of our business.

Market Conditions and Demand for our Products and Services

Our results of operations depend on the continued existence, success and growth of, and demand for, our various products and services. Developments in the global and Indian economy influence the decisions of enterprises to determine their spending for payment transactions and automation solutions, thereby affecting the demand for our products and services.

Our revenues have a mix of domestic and export sales, so consequently, our operating results depend on general economic conditions not only in India but also our major export market, namely, Middle East, USA, South Asia and Africa. With the global economy showing varied patterns, Indian economy showing signs of recovery and the Indian Government's focus on financial inclusion, we expect the demand for our products and services to grow.

RESULTS OF OUR STANDALONE OPERATIONS

(₹ in Lakhs)

Particulars	June 30, 2015	% of Total Income	Financial Year Ended March 31,							
			2015	% of Total Income	2014	% of Total Income	2013	% of Total Income	2012	% of Total Income
REVENUE:										
Revenue from Operations	44.67	99.87%	328.18	99.83%	306.88	99.63%	299.16	99.83%	290.09	99.18%
Other Income	0.06	0.13%	0.57	0.17%	1.14	0.37%	0.52	0.17%	2.38	0.82%
Total revenue	**44.73**	**100.00%**	**328.75**	**100.00%**	**308.01**	**100.00%**	**299.68**	**100.00%**	**292.47**	**100.00%**
EXPENSES:										
Employee benefits expense	22.23	49.69%	97.26	29.58%	79.65	25.86%	80.91	27.00%	119.52	40.87%
Finance cost	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Depreciation and amortization expense	1.13	2.54%	6.39	1.94%	5.31	1.72%	9.64	3.22%	13.29	4.54%
Other expenses	21.56	48.19%	132.13	40.19%	130.30	42.30%	163.99	54.72%	128.37	43.89%
Total expenses	**44.92**	**100.42%**	**235.77**	**71.72%**	**215.26**	**69.88%**	**254.54**	**84.94%**	**261.18**	**89.30%**

Net Profit / (Loss) before Tax	**(0.19)**	**(0.42)%**	**92.98**	**28.28%**	**92.76**	**30.12%**	**45.14**	**15.06%**	**31.29**	**10.70%**
Less: Provision for Tax										
Current tax as per income tax	0.00	0.00%	18.00	5.48%	18.00	5.84%	10.84	3.62%	10.72	3.67%
Excess / Short Provision	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0	0.00%
Deferred tax	0.13	0.30%	(0.66)	(0.20)%	(0.11)	(0.03)%	(0.28)	(0.09)%	1.85	0.63%
Total	**0.13**	**0.30%**	**17.34**	**5.28%**	**17.89**	**5.81%**	**10.56**	**3.52%**	**12.57**	**4.30%**
Net Profit / (Loss) for the period after tax	**(0.32)**	**(0.72)%**	**75.63**	**23.01%**	**74.87**	**24.31%**	**34.59**	**11.54%**	**18.73**	**6.40%**

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. providing IT based products / solution / services) as a percentage of total income was 99.87%, 99.83%, 99.63% and 99.83% in three month period ending June 30, 2015 and fiscals 2015, 2014, 2013 respectively.

Other Income

Our other income includes mainly interest on bank deposits and foreign exchange gains. Other income, as a percentage of total income was 0.13%, 0.17%, 0.37% and 0.17% for three month period June 30, 2015 and fiscals 2015, 2014 and 2013 respectively.

Expenditure

Our total expenditure primarily consists of Employee Benefit Expenses, Depreciation & Amortisation Expenses and Other Expenses.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and staff welfare expenses, statutory contributions, etc.

Other Expenses

Other expenses primarily include Rent, Insurance, Electricity charges, Advertising expenses, Office expenses, Legal expenses, Foreign Travel expenses, etc.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" ("AS-22"), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Review for the three (3) months period ended June 30, 2015

Income

Our total income for the three months period ended June 30, 2015 was ₹ 44.73 lakhs. In the current period, the revenue earned from operations is ₹ 44.67 lakhs or 99.87% of the total income. Other income for said period was recorded at ₹ 0.06 lakhs or 0.13% of total income.

Employee Benefit Expenses

Our Employee Benefit Expenses for the three months period ended June 30, 2015 were ₹ 22.23 lakhs. As a proportion of our total income they were 49.69%.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses for the three months period ended June 30, 2015 were ₹ 1.13 lakhs. As a proportion of total income they were 2.54%.

Other Expenses

Our Other Expenses for the three months period ended June 30, 2015 ₹ 21.56 lakhs. As a proportion of our total income they were 48.19%.

Profit before Tax

Profit / (Loss) before Tax for the three months period ended June 30, 2015 was ₹ (0.19) lakhs.

Profit after Tax

Profit / (Loss) after Tax for the three months period ended June 30, 2015 was ₹ (0.32) lakhs.

Fiscal 2015 compared with fiscal 2014

Income

In fiscal 2015, our total income increased by ₹ 20.74 lakhs or 6.73%, from ₹ 308.01 lakhs in fiscal 2014 to ₹ 328.75 lakhs in fiscal 2015. The increase represents the steady growth of our sales and operations in India and abroad.

Other income decreased by ₹ 0.57 lakhs or 50.00%, from ₹ 1.14 lakhs in fiscal 2014 to ₹ 0.57 lakhs in fiscal 2015. The major factor for such decrease was due to reduction in interest income from deposits.

Employee Benefit Expenses

Our staff cost increased by ₹ 17.61 lakhs or 22.11%, from ₹ 79.65 lakhs in fiscal 2014 to ₹ 97.26 lakhs in fiscal 2015. This increase was mainly due to increase annual increments in Staff salaries, Staff welfare expenses and certain staff additions.

Depreciation and Amortization Expenses

Depreciation and Amortisation expenses increased by ₹ 1.08 lakhs, from ₹ 5.31 lakhs in fiscal 2014 to ₹ 6.39 lakhs in fiscal 2015. This increase was on account of addition of fixed assets during the year.

Other Expenses

Other expenses increased by ₹ 1.83 lakhs or 1.40% from ₹ 130.30 lakhs in fiscal 2014 to ₹ 132.13 lakhs in fiscal 2015. The marginal increase was due to increase in travelling / conveyance expenses and rent expenses.

Profit before Tax

Due to our steady growth in our scale of operation and corresponding increase in our total income our PBT increased marginally by ₹ 0.22 lakhs from ₹ 92.76 lakhs in fiscal 2014 to ₹ 92.98 lakhs in fiscal 2015.

Profit after Tax

Our profit after tax increased by ₹ 0.76 lakhs or 1.02 %, from ₹ 74.87 lakhs in fiscal 2014 to ₹ 75.63 lakhs in fiscal 2015.

Fiscal 2014 compared with fiscal 2013

Income

Our total income increased by ₹ 8.33 lakhs or 2.7 8% from ₹ 299. 68 lakhs in fiscal 2013 to ₹ 308.01 lakhs in fiscal 2014. The increase represents the steady growth of our sales and operations in India and abroad.

Other income increased by ₹ 0.62 lakhs or 119.23%, from ₹ 0.52 lakhs in fiscal 2013 to ₹ 1.14 lakhs in fiscal 2014. The major factor for such increase was due to increase in interest income from bank deposits.

Employee Benefit Expenses

Our staff costs decreased marginally by ₹ 1.26 lakhs or 1.56%, from ₹ 80.91 lakhs in fiscal 2013 to ₹ 79.65 lakhs in fiscal 2014. This decrease was mainly due to reduction in staff in standalone Company.

Depreciation Expenses

Depreciation expenses decreased by ₹ 4.33 lakhs, from ₹ 9.64 lakhs in fiscal 2013 to ₹ 5.31 lakhs in fiscal 2014 on account of written down value of Fixed Assets.

Other Expenses

Other Expenses decreased by ₹ 33.69 lakhs or 20.54% in fiscal 2014, from ₹ 163.99 lakhs in fiscal 2013 to ₹ 130.30 lakhs in fiscal 2014. The cause of decrease was due to reduction in R&D expenses during the year and overall better administration management.

Profit before Tax

PBT increased by ₹ 47.62 lakhs or 105.49% as compared from ₹ 45.14 lakhs in fiscal 2013 to ₹ 92.76 lakhs in fiscal 2014, which was majorly due to reduction in other expenses during the year.

Profit after Tax

Our profit after tax increased by ₹ 40.28 lakhs from ₹ 34.59 lakhs in fiscal 2013 to ₹ 74.87 lakhs in fiscal 2014.

Fiscal 2013 compared with fiscal 2012

Income

In fiscal 2013, we recorded a total income of ₹ 299.68 lakhs, an increase of ₹ 7.21 lakhs or 2.47% as compared to ₹ 292.47 lakhs in fiscal 2012. The increase represents the steady growth of our sales and operations in India and abroad.

Other income decreased by ₹ 1.86 lakhs or 78.15%, from ₹ 2.38 lakhs in fiscal 2012 to ₹ 0.52 lakhs in fiscal 2013. The major factor for such decrease was due to no foreign exchange transaction gain in fiscal 2013 as compared to fiscal 2012.

Employee Benefit Expenses

Our staff costs decreased by ₹ 38.61 lakhs, from ₹ 119.52 lakhs in fiscal 2012 to ₹ 80.91 lakhs in fiscal 2013. This decrease was mainly due to reduction in staff in standalone Company.

Depreciation Expenses

Depreciation expenses decreased by ₹ 3.65 lakhs, from ₹ 13.29 lakhs in fiscal 2012 to ₹ 9.64 lakhs in fiscal 2013 on account of written down value of Fixed Assets.

Other Expenses

Other expenses increased by₹ 35.62 lakhs, from ₹ 128.37 lakhs in fiscal 2012 to ₹ 163.99 lakhs in fiscal 2013. The cause of increase in these expenses was due to increase in Training and R&D costs incurred during the year and other additional travel costs.

Profit before Tax

PBT increased by₹ 13.85 lakhs or 44.26% as compared from ₹ 31.29 lakhs in fiscal 2012 to₹ 45.14 lakhs in fiscal 2013 mainly due to lower employee / staff costs in the fiscal 2013.

Profit after Tax

Our profit after tax increased by ₹ 15.86 lakhs from ₹ 18.73 lakhs in fiscal 2012 to ₹ 34.59 lakhs in fiscal 2013.

Cash Flows

(₹ in lakhs)

Particulars	June 30, 2015	Year ended March 31,		
		2015	2014	2013
Net Cash from Operating Activities	31.18	9.03	115.46	5.94
Net Cash from Investing Activities	(30.85)	(8.82)	(168.64)	(10.67)
Net Cash used in Financial Activities	-	-	20.00	1.00
Net Increase / (Decrease) in Cash and Cash equivalents	0.32	0.21	(33.18)	(3.73)

Cash Flows from Operating Activities

Net cash from operating activities in the three month period ended June 30, 2015 was ₹ 31.18 lakhs as compared to the PBT of ₹ (0.19) lakhs for the same period. This difference is primarily on account of changes in trade receivables, loans and advances & trade payables.

Net cash from operating activities in fiscal 2015 was ₹ 9.03 lakhs as compared to the PBT of ₹ 92.98 lakhs for the same period. This difference is primarily on account of changes in trade & other payables and Trade & other Receivables.

Net cash from operating activities in fiscal 2014 was ₹ 115.46 lakhs as compared to the PBT were ₹ 92.76 lakhs for the same period. This difference is primarily on account of changes in trade payables, trade receivables, and loans and advances.

Net cash from operating activities in fiscal 2013 was ₹ 5.94 lakhs as compared to the PBT of ₹ 45.14 lakhs for the same period. This difference is primarily on account of changes in trade receivable, trade payables and loans and advances.

Cash Flows from Investment Activities

In the three month period ended June 30, 2015, the net cash invested in Investing Activities was negative ₹ 30.85 lakhs. This was mainly on account of purchase of fixed assets.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 8.82 lakhs. This was on account of purchase of fixed assets and investments.

In fiscal 2014, the net cash invested in Investing Activities was negative ₹ 168.64 lakhs. This was on account of purchase of fixed assets and investments.

In fiscal 2013, the net cash invested in Investing Activities was negative₹ 10.67 lakhs. This was on account of purchase of fixed assets and investments.

Cash Flows from Financing Activities

Net cash from financing activities in the three month period ended June 30, 2015 was Nil.

Net cash from financing activities in fiscal 2015 was Nil.

Net cash from financing activities in fiscal 2014 was ₹ 20.00 lakhs. This was on account of fresh equity capital issued.

Net cash from financing activities in fiscal 2013 was ₹ 1.00 lakhs. This was on account of fresh equity capital issued.

RESULTS OF OUR CONSOLIDATED OPERATIONS

(₹ in Lakhs)

Particulars	June 30, 2015	% of Total Income	Financial Year Ended			
			2015	% of Total Income	2014	% of Total Income
REVENUE:						
Revenue from Operations	135.89	94.66%	548.84	99.49%	406.66	99.23%
Other Income	7.67	5.34%	2.81	0.51%	3.17	0.77%
Total revenue	**143.56**	100.00%	**551.65**	100.00%	**409.83**	100.00%
EXPENSES:						
Employee benefits expense	39.99	27.86%	130.19	23.60%	81.40	19.86%
Finance cost	-	-	-	-	-	0.00%
Depreciation and amortization expense	1.45	0.00%	6.02	1.09%	5.04	1.23%
Other expenses	62.59	43.60%	283.31	51.36%	171.60	41.87%
Total expenses	**104.03**	72.46%	**419.52**	76.05%	**258.04**	62.96%
Net Profit / (Loss) before Tax	**39.53**	27.54%	**132.13**	23.95%	**151.79**	37.04%
Less: Provision for Tax						
Current tax as per income tax	1.50	1.04%	18.00	3.26%	18.00	4.39%
Deferred tax	0.13	0.09%	-0.66	-0.12%	-0.11	-0.03%
Total	**1.63**	1.14%	**17.34**	3.14%	**17.89**	4.37%
Net Profit / (Loss) for the period	**37.90**	26.40%	**114.79**	20.81%	**133.90**	32.67%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. providing IT based products / solution / services) as a percentage of total income was 94.66% and 99.49% in three month period ending June 30, 2015 and fiscals 2015 respectively.

Other Income

Our other income includes mainly interest on bank deposits and foreign exchange gains. Other income, as a percentage of total income was 5.34%, 0.51% and 0.77% for three month period June 30, 2015 and fiscals 2015 and 2014 respectively.

Expenditure

Our total expenditure primarily consists of Employee Benefit Expenses, Depreciation & Amortisation Expenses and Other Expenses.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and staff welfare expenses, statutory contributions, etc.

Other Expenses

Other expenses primarily include Rent, Insurance, Electricity charges, Advertising expenses, Office expenses, Legal expenses, Foreign Travel expenses, etc.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" ("AS-22"), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Review for the three (3) months period ended June 30, 2015

Income

Our total income for the three months period ended June 30, 2015 was ₹ 143.56 lakhs. In the current period, the revenue earned from operations is ₹ 135.89 lakhs or 94.66% of the total income. Other income for said period was recorded at ₹ 7.67 lakhs or 5.34% of total income.

Employee Benefit Expenses

Our Employee Benefit Expenses for the three months period ended June 30, 2015 were ₹ 39.99 lakhs. As a proportion of our total income they were 27.86%.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses for the three months period ended June 30, 2015 were ₹ 1.45 lakhs. As a proportion of total income they were 0.00%.

Other Expenses

Our Other Expenses for the three months period ended June 30, 2015 ₹ 62.59 lakhs. As a proportion of our total income they were 43.60%.

Profit before Tax

Profit / (Loss) before Tax for the three months period ended June 30, 2015 was ₹ 39.53 lakhs.

Profit after Tax

Profit / (Loss) after Tax for the three months period ended June 30, 2015 was ₹ 37.90 lakhs.

Fiscal 2015 compared with fiscal 2014

Income

In fiscal 2015, our total income increased by ₹ 141 .82 lakhs or 34.61%, from ₹ 409.83 lakhs in fiscal 2014 to ₹ 551.65 lakhs in fiscal 2015. The increase represents the steady growth of our sales and operations in India and abroad.

Other income decreased by ₹ 0.36 lakhs or 11.36%, from ₹ 3.17 lakhs in fiscal 2014 to ₹ 2.81 lakhs in fiscal 2015. The major factor for such decrease was due to reduction in interest income from deposits.

Employee Benefit Expenses

Our staff cost increased by ₹ 48.79 lakhs or 59.94%, from ₹ 81.40 lakhs in fiscal 2014 to ₹ 130.19 lakhs in fiscal 2015. This increase was mainly due to increase annual increments in Staff salaries, Staff welfare expenses and certain staff additions.

Depreciation and Amortization Expenses

Depreciation and Amortisation expenses increased by ₹ 0.98 lakhs, from ₹ 5.04 lakhs in fiscal 2014 to ₹ 6.02 lakhs in fiscal 2015. This increase was on account of addition of fixed assets during the year.

Other Expenses

Other expenses increased by ₹ 111.71 lakhs or 65.10% from ₹ 171.60 lakhs in fiscal 2014 to ₹ 283.31 lakhs in fiscal 2015. The marginal increase was due to increase in travelling / conveyance expenses and rent expenses.

Profit before Tax

Due to increase in employee benefit expenses and other expenses there is a decrease in our total expenses and our PBT decreased by ₹ 19.66 lakhs from ₹ 151.79 lakhs in fiscal 2014 to ₹ 132.13 lakhs in fiscal 2015.

Profit after Tax

Our profit after tax decreased by ₹ 19.11 lakhs or 14.27 %, from ₹ 133.90 lakhs in fiscal 2014 to ₹ 114.79 lakhs in fiscal 2015.

Cash Flows

(₹ in lakhs)

Particulars	June 30, 2015	Year ended March 31	
		2015	2014
Net Cash from Operating Activities	75.77	(2.95)	129.30
Net Cash from Investing Activities	(53.29)	(8.82)	(152.62)
Net Cash used in Financial Activities	-	-	20.00
Net Increase / (Decrease) in Cash and Cash equivalents	22.48	(11.76)	(3.32)

Cash Flows from Operating Activities

Net cash from operating activities in the three month period ended June 30, 2015 was ₹ 75.77 lakhs as compared to the PBT of ₹ 39.53 lakhs for the same period. This difference is primarily on account of changes in trade receivables, loans and advances & trade payables.

Net cash from operating activities in fiscal 2015 was negative ₹ 2.95 lakhs as compared to the PBT of ₹ 132.13 lakhs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash from operating activities in fiscal 2014 was ₹ 129.30 lakhs as compared to the PBT were ₹ 151.79 lakhs for the same period. This difference is primarily on account of trade payables, Inventories, trade receivable, other currents and other current assets.

Cash Flows from Investment Activities

In the three month period ended June 30, 2015, the net cash invested in Investing Activities was negative ₹ 53.29 lakhs. This was mainly on account of purchase of fixed assets and investment.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 8.82 lakhs. This was on account of purchase of fixed assets and investment.

In fiscal 2014, the net cash invested in Investing Activities was negative ₹ 152.62 lakhs. This was on account of purchase of fixed assets.

Cash Flows from Financing Activities

Net cash from financing activities in the three month period ended June 30, 2015 was Nil.

Net cash from financing activities in fiscal 2015 was Nil.

Net cash from financing activities in fiscal 2014 was₹ 20.00 lakhs. This was on account of proceeds from share capital & share premium.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled *"Financial Information"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"*, beginning on pages nos. 140 and 177 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled *"Risk Factors"* and *"Management's Discussion and Analysis of Financial Conditions and Result of Operations"*, beginning on pages 9 and 177 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled *"Risk Factors"* beginning on page 9 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which our Company operates.

The Company is an Information Technology Company and is in the business of providing IT products, solutions and services to clients across sectors. Our Company operates under a single segment. Relevant industry data, as available, has been included in the chapter titled *"Industry Overview"* beginning on page 74 of this Draft Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled *"Our Business"* beginning on page 88 of this Draft Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The revenues from our top 10 customers constituted approximately 89.56% for FY 2015.

10. Competitive Conditions

We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We expect competition to intensify due to possible changes in government policy, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established IT companies. This we believe may impact our financial condition and operations.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, Subsidiaries, Promoter, Group Companies and Directors as of the date of this Draft Red Herring Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹ 1 lakh as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on October 05, 2015.

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (₹ in lakhs)
NIL	NIL
Total	**NIL**

PART 2: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

NIL

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

C. PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

C. PAST PENALTIES

NIL

PART 4: LITIGATION RELATING TO OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. **Other Pending Litigations**

NIL

C. **PAST PENALTIES**

NIL

PART 5: LITIGATION RELATING TO OUR GROUP COMPANIES

A. **LITIGATION AGAINST OUR GROUP COMPANIES**

1. **Litigation involving Criminal Laws**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. **Other Pending Litigations**

NIL

B. **LITIGATION FILED BY OUR GROUP COMPANIES**

1. **Litigation involving Criminal Laws**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. **Other Pending Litigations**

NIL

C. **PAST PENALTIES**

NIL

PART 6: LITIGATION RELATING TO OUR SUBSIDIARIES

A. CASES FILED AGAINST OUR SUBSIDIARIES

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. CASES FILED BY OUR SUBSIDIARIES

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

C. PAST PENALTIES

NIL

PART 7: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

The Board of Directors of our Company considers dues exceeding ₹ 1 lakh to small scale undertakings and other creditors as material dues for our Company.

As on June 30, 2015, there are two (2) creditors to each of whom our Company owes amounts exceeding ₹ 1 lakh, the aggregate outstanding dues to them being approximately ₹ 4.42 lakhs.

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished.

Therefore, as on June 30, 2015, our Company owes amounts aggregating to ₹ 4.92 lakhs and ₹ 5.86 lakhs approximately towards seven (7) trade payables and twenty (20) creditors for expenses, which may or may not include small scale undertakings.

There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: www.octaware.com.

PART 8: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE

Except as disclosed elsewhere in this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively "Authorisations") listed below, our Company can undertake this issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

It must be distinctly understood that, in granting these approvals, the Government of India, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled "*Key Industry Regulations and Policies*" on page 107 of this Draft Prospectus.

The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

I. APPROVALS PERTAINING TO THIS ISSUE

i. 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 5th October, 2015, authorized the Issue, subject to the approval of inter-alia authorities as may be necessary.

ii. The shareholders of the Company have, pursuant Section 62 (1)(c) of the Companies Act, 2013 by a Special resolution passed in the Extraordinary General Meeting held on 9th November, 2015 authorized the Issue.

iii. The Company has obtained in-principle listing approval from the SME platform of the BSE dated [●], 2015.

iv. The Company has entered into an agreement dated [●] with the Central Depository Servi ces (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.

v. Similarly, the Company has also entered into an agreement dated [●] with the National Securi ties Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited for the dematerialization of its shares.

vi. The Company's International Securities Identification Number ("ISIN") is [●].

II. INCORPORATION AND OTHER DETAILS

i. Certificate of Incorporation dated 26th May,2005 was issued by the Registrar of Companies, Mumbai, Maharashtra in the name of Octaware Technologies Private Limited bearing Corporate Identity Number U72200MH2005PTC153539and having its registered office at 204,Timmy Arcade, MakwanaRoad, Marol Naka, Off Andheri- Kurla Road, Mumbai-400059, India.

ii. Fresh Certificate of Incorporation dated August 17, 2015 issued by the Registrar of Companies, Mumbai, consequent upon change of name from "Octaware Technologies Private Limited" to "Octaware Technologies Limited" bearing CIN U72200MH2005PLC153539.

III. TAXRELATED APPROVALS/LICENSES/REGISTRATIONS

The Company has in place the following categories of approvals from various tax authorities viz. Income-tax Department, Sales tax Department of various States in India, etc.

i. General

Sr. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry

a.	Permanent Account Number (PAN)	The Income Tax Department, Government of India.	AAACO7475L	26th May,2005	Valid until cancelled
b.	Tax Deduction Account Number (TAN)	The Income Tax Department, Government of India.	MUMO03870G	21st September,2005	Valid until cancelled
c.	Service Tax Registration for 204, Timmy Arcade Makwana Road, Marol, Andheri (E), Mumbai – 400059 (Form ST-2)(1)	Central Board of Excise and Customs, Ministry of Finance – Department of Revenue	AAACO7475LSD002	30th April, 2010	Valid until cancelled

(1) In case the registrant starts providing any other taxable service other than Information Technology Software Service it shall intimate the department.In case the registrant starts billing from other premises,(other than those mentioned above) it shall intimate the department.

ii. Value Added Tax

Sr. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
a.	Certificate of Registration	Excise and Taxation Officer	27545209521V	9th March,2010	Valid until cancelled

iii.Central Sales Tax

Sr. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
a.	Certificate of Registration	Excise and Taxation Officer	27545209521C	9th March,2010	Valid until cancelled

iv. Professional tax

Sr. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Professional Tax Registration Certificate	Professional Tax Officer	27545209521P	8th August,2008	Valid until cancelled
2.	Professional Tax Enrolment Certificate	Professional Tax Officer	99741637362P	8th August,2008	Valid until cancelled

IV. SHOPS AND ESTABLISHMENTS REGISTRATION

Sr. No.	Description	Granting Authority	Registration Number	Date of Certificate	Date of Expiry
i.	Certificate of Registration under Maharashtra Shops and Establishments Act, 1948 for the registered office of the Company, viz.Registered Office Address at 204,Timmy Arcade,Makwana Road,Marol, Off	Inspector under the Maharashtra Shops and Establishments Act, 1948	KE016658/ Commercial II	16th December,2015	31st December, 2018

	Kurla Road, Andheri East, Mumbai-400059,India.				
ii.	Certificate of Registration under Maharashtra Shops and Establishments Act, 1948 for the office of the Company situate at C2/19, 2nd floor BramhaEstate, NIBM Circle, Kondhwa Pune - 411048, India.	Officer under the Maharashtra Shops and Establishments Act, 1948	1531000310 035193	14th December, 2015	December 31, 2018

V. IMPORT- EXPORT RELATED APPROVALS

Sr. No.	Description	Granting Authority	Particulars	Date of Certificate	Date of Expiry
i.	Certificate of Importer-Exporter Code (IEC) for 204, Timmy Arcade Makwana Road, Marol, Andheri (E), Mumbai – 400059(1)	The Ministry of Commerce and Industry	IEC Number:0305026577 Date of Issue: 8th July, 2005	8th July,2005	Valid until cancelled.

(1) In case of any change in the name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such change unless in the meantime, the consequential changes are effected in the IEC by the concerned Licensing Authority.

VI. LABOUR RELATED APPROVALS/REGISTRATIONS

The Company has obtained the following approvals related to Labour/employment related registrations:

Sr. No.	Description	Granting Authority	Registration/ Reference No.	Date of Issue	Date of Expiry
i.	Employees' Provident Fund Code	Employees' Provident Fund Organisation, Maharashtra	MH/PF/APP/211074/100/SRO/KUD/300	1st April, 2008	Valid until cancelled

VII. APPROVALS RELATING TO INTELLECTUAL PROPERTY TRADEMARKS

Sr. No.	Particulars of Trade Mark	Word/ Label Mark/Device	Applicant	Date of Application	Application No.	Class	Status as on date as displayed on http://www.ipindia.nic.in	Goods/ Services in respect of which Application has been made
1.	Device		The Company	26th July, 2013	2570704	42	Registered	Software Development Products And IT Consulting Services

VIII. OTHER APPROVALS

Sr. No.	Description	Granting Authority	Registration/ Reference No.	Date of Issue	Rectification Due Date
i.	ISO 9001:2008 (Quality Management System)[(1)]	Group Chief Executive Officer	91Q11622	8th March, 2013	8th March, 2016
ii.	CMMI V1.3(DEV) Maturity Level – 3 (Defined)	Lead Appraiser, CMMI Institute Partner, powered by Carnegie Mellon	Id:21942 Document No.: Octaware/14/11	30th March, 2014	28th February, 2017

[(1)] *The ISO 9001:2008 certificate has been obtained by our company for the Software development services, Information technology enabled services, Enterprise solutions, Infrastructure solutions, System integration, Product development and consulting services.*

Pending Approvals

Following is the list of important approvals and sanctions which we believe are due to be taken at this stage but are pending as on the date of this Draft Prospectus:

The Company has applied for registration under the Copyright Act, 1957 for the following computer software:

Sr. No.	Title of Computer Software	Online Application Acknowledgement Date	Diary Number
1.	"PowerERM" – An Employee Relationship Management System	15th December, 2015	13602/2015-CO/SW
2.	"iOnAsset"-An Automated Asset Tracking andManagement System	15th December, 2015	13601/2015-CO/SW
3.	"Hospice"-A Complete Hospital Information Management System	15th December, 2015	13599/2015-CO/SW

SECTION VIII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated October 05, 2015 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on November 09, 2015 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our Company, its Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled "*Risk Factors*", "*Our Promoter and Promoter Group", "Our Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on pages 9, 131, 135 and 189 respectively, of this Draft Prospectus.

Eligibility for the Issue

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "*General Information- Underwriting*" on page 45 of this Draft Prospectus.

b) 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 within such time which shall be prescribed by the SEBI. If the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (3) of Section 39 shall be returned within such time and manner as may be prescribed under the Companies Act, 2013.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of 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.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making, please see "*General Information- Details of the Market Making Arrangements for this Issue*" on page 45 of this Draft Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

e) Our Company has Net Tangible assets of at least ₹ 3 crore as per the latest audited financial results

f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 3 crore as per the latest audited financial results

g) Our Company has track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.

h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the year ended as at March 31, 2015, 2014 and 2013 is as set forth below:

(₹ in Lakhs)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Distributable Profit(1)	75.63	74.87	34.59
Net tangible Assets(2)	443.51	367.88	273.01
Net Worth(3)	450.66	375.61	283.21

(1) Distributable profits have been computed in terms section 123 of the Companies Act, 2013.
(2) Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.
(3) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

i) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹ 307.50 lakhs (₹ 3.08 crores), which is in excess of ₹ 1 crore, and the Post Issue Capital will be ₹ 418.62 lakhs (₹ 4.19 crore).

j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

k) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed

l) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment

m) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

n) We have a website: www.octaware.com

Disclosure

The Issuer, our Promoters, Promoter Group and the members of our Group Companies have confirmed that they have not been identified as wilful defaulters by the RBI or any other Governmental Authority.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE

FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE 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 PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

C. **THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND**

    B. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE 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 PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

Note:
All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26, 30 and 32 of the Companies Act, 2013.

ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS 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 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 PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE**

4. **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**

5. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO 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 PROSPECTUS.**

6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Disclaimer Clause of the SME Platform of BSE

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAUTION

The Lead Manager accept no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated December 20, 2015, the Underwriting Agreement dated December 20, 2015 entered into among the Underwriters and our Company and the Market Making Agreement dated December 20, 2015, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager 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 or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

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), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus / 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 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Plot No. C4-A, ‘G’ Block, Bandra - Kurla Complex, Bandra East, Mumbai 400 051.

A copy of the 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 Everest, 100, Marine Drive, Mumbai- 400002.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

S. No	*Issue Name*	*Issue size (₹ in lakhs)*	*Issue Price (₹)*	*Listing date*	*Opening price on listing date (₹)*	*Closing price on listing date (₹)*	*% Change in Price on listing date (Closing) vs. Issue Price*	*Benchmark index on listing date (Closing)*	*Closing price as on 10th calendar day from listing day*	*Benchmark index as on 10th calendar day from listing day (Closing)*	*Closing price as on 20th calendar day from listing day*	*Benchmark index as on 20th calendar day from listing day (Closing)*	*Closing price as on 30th calendar day from listing day*	*Benchmark index as on 30th calendar day from listing day (Closing)*
1.	Vaksons Automobiles Ltd.	624.00	26.0	16/10/15	26.25	27.00	3.85%	27,214.60	27.00	27,470.81	26.90	26,552.92	27.10	25,610.53
2.	AGI Infra Ltd.	1,499.04	54.00	27/03/15	54.40	54.65	1.20%	27,458.64	54.70	28,504.46	55.25	28,666.04	56.25	27,437.94
3.	Vishal Fabrics Ltd.	1,563.30	45.00	20/08/14	45.20	46.90	4.22%	26,314.29	48.00	26,638.11	51.50	27,057.41	50.50	27,090.42
4.	Dhanuka Commercial Ltd.	444.00	10.00	11/06/14	9.75	9.75	(2.50)%	25,473.89	8.90	25,105.51	8.75	25,516.35	9.75	25,024.35
5.	Karnimata Cold Storage Ltd.	303.60	20.00	18/03/14	29.05	30.00	50.00%	21,832.61	22.15	22,339.97	22.15	22,343.45	22.15	22,628.84

S. No	Issue Name	Issue size (₹ in lakhs)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
6.	Suyog Telematics Ltd.	453.00	25.00	22/01/14	25.20	25.25	1.00%	21,337.67	25.20	20,513.85	25.00	20,363.37	25.50	20,700.75
7.	Stellar Capital Services Ltd.	900.00	20.00	01/11/13	20.10	19.10	(4.50)%	21,196.81	16.90	20,666.15	15.30	20,635.13	14.55	20,791.93
8.	S R G Securities Finance Ltd.	501.60	20.00	29/10/13	23.90	24.25	21.25%	20,929.01	20.50	20,666.15	20.10	20,850.74	20.00	20,425.02
9.	Kushal Tradelink Ltd.	2,774.80	35.00	04/09/13	35.00	35.80	2.29%	18,567.55	35.30	19,732.76	35.30	19920.21	43.10	19915.95
10.	India Finsec Ltd.	600.00	10.00	11/06/13	10.00	10.50	5.00%	19,143.00	9.55	19,245.70	10.00	18,629.15	10.00	18,629.15

Summary Statement of Disclosure

Financial Year	*Total no. of IPOs*	*Total Funds Raised (₹ in lakhs)*	*Nos. of IPOs trading at discount on listing date*			*Nos. of IPOs trading at premium on listing date*			*Nos. of IPOs trading at discount as on 30th calendar day from listing day*			*Nos. of IPOs trading at premium as on 30th calendar day from listing day*		
			Over 50%	*Between 25-50 %*	*Less than 25%*	*Over 50%*	*Between 25-50 %*	*Less than 25%*	*Over 50%*	*Between 25-50 %*	*Less than 25%*	*Over 50%*	*Between 25-50 %*	*Less than 25%*
2015-16	1	624.00	-	-	-	-	-	1	-	-	-	-	-	1
2014-15	3	3506.34	-	-	1	-	-	2	-	-	1	-	-	2
2013-14	6[1]	5,533.00	-	-	1	-	1	4	-	1	-	-	-	3

[1]As on the 30th Calendar day from the listing day, the price of India Finsec Limited and S R G Securities Finance Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:

(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

(b) BSE SENSEX has been considered as the benchmark index.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of the Lead Manager – *www.afsl.co.in.*

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Refund Banker, Peer Review Auditor, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. R.T. Jain & Co., Chartered Accountants (Peer Review Auditors) have provided their written consent to the inclusion of their reports dated December 18, 2015 on the Restated Financial Statements and their reports dated December 18, 2015 on the Statement of Possible Tax Benefits, which may be available to the Company and its shareholders, included in this Draft

Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

Expert Opinion

Our Company has received written consent from its Auditor namely, M/s. R. T. Jain & Co., Chartered Accountants (Peer Review Auditors) to include their names as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated December 18, 2015 and the Statement of Tax Benefits dated December 18, 2015, issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

ISSUE RELATED EXPENSES

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB’s commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Issue related expenses activity	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
Issue Management fees including underwriting and selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	34.00	68.00%	3.06%
Printing & Stationery, Distribution, Postage, etc.	3.00	6.00%	0.27%
Advertisement & Marketing Expenses	3.00	6.00%	0.27%
Regulatory & other expenses	10.00	20.00%	0.90%
Total Estimated Issue related Expenses	**50.00**	**100.00%**	**4.50%**

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Managers (including underwriting commission and selling commission) is as stated in the MOUs dated December 20, 2015, the Underwriting Agreement dated December 20, 2015 and the Market Making Agreement dated December 20, 2015 among our Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated December 29, 2015.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

Capital Issue during the last three years

Octaware Technologies Limited and its Promoter Group have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an "Unlisted Company" 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 Equity Shares otherwise than for Cash

Except as stated in the chapter titled "*Capital Structure*" beginning on page 48 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an Initial Public Offer of the 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 the Equity Shares since inception of the Company.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and its Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on December 07, 2015 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Grievance Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Krishnan Narayanan	Non Executive Independent Director	Chairman
Dr. Shariq Nisar	Non Executive Independent Director	Member

Mr. Siraj Gunwan	Whole Time Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page 119 of this Draft Prospectus.

The Company has also appointed Mr. Muzammil Memon as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Corporate Office of our Company. The contact details are as follows:

Name: Mr. Muzammil Memon
Address: 57204 Timmy Arcade,
Makwana Road Marol, Andheri (East),
Mumbai – 400 072
Tel No.:+91 – 22 – 4023 1431
Fax No: +91 – 22 – 2829 3959
Email: investor@octaware.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor compliant during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

Change in Auditors

There has been no change in auditors of our company in the last 3 years.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled "*Capital Structure*" beginning on page 48 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets in last five (5) years.

SECTION IX – ISSUE RELATED INFORMATION
TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, 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 Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on October 05, 2015 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held on November 09, 2015 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled *"Main Provisions of the Articles of Association of our Company"* beginning on page 238 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please see the chapter titled *"Dividend Policy"* beginning on page 139 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ 100 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled *"Basis for Issue Price"* beginning on page 63 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, 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 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 offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled *"Main Provisions of Articles of Association of our company"* beginning on page 238 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 1,200 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1,200 Equity Share subject to a minimum allotment of 1,200 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. 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 40 of the Companies Act, 2013.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 1,200 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 238 of this Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue

Option to receive Equity Shares in Dematerialized Form

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page 45 of this Draft Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 210 and 216 respectively, of this Draft Prospectus.

Following is the issue structure:

Public issue of 11,11,200 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 100 per Equity Share (including a Share premium of ₹ 90 per Equity Share) aggregating to ₹ 1,111.20 lakhs ("the Issue") by Octaware Technologies Limited. ("OTL" or the "Company" or the "Issuer").

The issue comprises a reservation of 57,600 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 10,53,600 Equity Shares of ₹ 10 each ("the Net issue").

Particulars of the Issue	Net Issue to Public[(1)]	Market Maker Reservation Portion
Number of Equity Shares available for allocation	10,53,600 Equity Shares	57,600 Equity Shares
Percentage of Issue Size available for allocation	94.82% of the Issue Size	5.18% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 1,200 Equity Shares and further allotment in multiples of 1,200 Equity Shares each.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	*For QIB and NII:* Such number of Equity Shares in multiples of 1,200 Equity Shares such that the Application Value exceeds ₹ 2,00,000. *For Retail Individuals:* 1,200 Equity Shares	57,600 Equity Shares
Maximum Application Size	*For QIB and NII:* Such number of Equity Shares in multiples of 1,200 Equity Shares such that the Application Size does not exceed 10,53,600 Equity Shares. *For Retail Individuals:* Such number of Equity Shares in multiples of 1,200 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	57,600 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	1,200 Equity Shares	1,200 Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

[(1)] *50 % of the shares issued are reserved for allocation to applications below or equal to ₹ 2 lakhs and the balance for higher amount applications.*

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

i. The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and

ii. The final RoC approval of the Prospectus after it is filed with the RoC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

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., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

Fixed Price Issue Procedure

This Issue is being made under Regulation 106 (M) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications based on technical grounds only.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant'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 Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants 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.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);

2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: ―Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;

3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;

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 (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;

8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;

9. VCFs registered with SEBI;

10. FVCIs registered with SEBI;

11. Eligible QFIs;

12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)

13. Multilateral and bilateral development financial institutions;

14. State Industrial Development Corporations;

15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;

17. Insurance companies registered with Insurance Regulatory and Development Authority;

18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

20. Limited liability partnerships;

21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;

22. Nominated Investor and Market Maker

23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India

24. 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 policy of the Government of India, OCBs cannot participate in this Issue.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations

Maximum and Minimum Application Size

a) For Retail Individual Applicants:

The Application must be for a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 1,200 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Information for the Applicants

a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.

b) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.

c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the Corporate Office of the Lead Manager.

d) Applicants who are interested in subscribing for the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.

e) Applications made in the name of Minors and/or their nominees shall not be accepted.

Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address

Availability of Prospectus and Application Forms:

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of SME Platform of BSE Limited i.e. www.bsesme.com

Option to Subscribe in the Issue

a. Investors will get the allotment of specified securities only in dematerialized form.
b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

c. A single 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.

Participation by Associates of Lead Manager

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

Multiple Applications: In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and applying on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") Account or Foreign Currency Non-Resident ("FCNR") Accounts, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs applying on a repatriation basis are advised to use the Application Forms meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Applications by non-resident Applicant, applying on a repatriation basis will not be accepted out of Foreign Currency Non-Resident ("NRO") accounts.

In case of Application by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Applicant applying on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Applications by Eligible NRIs for a payment amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Applications for a payment amount of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Applications by FPIs, FIIs and QFIs

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI can continue to buy, sell or otherwise deal in securities until January 6, 2015 or until the QFI obtains a certificate of registration as FPI, whichever is earlier. Such QFIs shall be eligible to participate in this Issue in accordance with Schedule 8 of the FEMA Regulations and are required to Apply under the Non-Institutional Applicants category.

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) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% 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 sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company. 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. As of now, in accordance with the foreign investment limits applicable to us the total foreign investment including FII investment cannot exceed the sectoral cap applicable to us (being 100% of our total post Issue paid-up capital).

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. 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.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

a) equity shares of a company: the least of 10% of the investee company‘s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

b) the entire group of the investee company: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and

c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by Limited Companies, Corporate Bodies, Registered Societies, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

a) With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the

Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the 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 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.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorize the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

ESCROW MECHANISM

For details of the escrow mechanism and payment instructions, see chapter titled *"Issue Procedure – Payment Instructions"* on page 226 of this Draft Prospectus.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.

2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.

3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.

5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may

lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:

   - Name of the Applicant
   - IPO Name
   - Application Form number
   - Investor Category;
   - PAN (of First Applicant, if more than one Applicant);
   - Draft Prospectus ID of the demat account of the Applicant;
   - Client Identification Number (CIN) of the demat account of the Applicant;
   - Numbers of Equity Shares Applied for;
   - Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
   - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
   - Bank account number.

   In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING

Our Company and the Underwriters shall enter into an Underwriting Agreement as per the terms of Regulation 106P of the SEBI (ICDR) Regulations, 2009 amendments thereto from time to time.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC situated at Everest, 100, Marine Drive, Mumbai- 400002, as required under the Companies Act.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a Pre-Issue Advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper, one widely circulated Hindi language national daily newspaper and one widely circulated regional daily newspaper. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

1. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant's depositary account will be completed within 12 Working Days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Applicant's depository account is completed within Twelve Working Days from the date of closure of the Issue.

2. In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue / SCSB.

- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at par.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the Lead Manager or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall make out the cheque or demand draft in respect of his or her

Application and/or revision of the Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account opened with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 100 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application as per the following terms:

1) The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – OTL – R".

    - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – OTL – NR"

2) In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

3) Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.

4) On the Designated Date and no later than 12 Working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

For Terms of Payment / Payment Instructions for ASBA Applicants, please see "Issue Procedure for ASBA Applicants" under the chapter "Issue Procedure" on page 216 of this Draft Prospectus.

Payment by Stock Invest

In terms of the RBI Circular No. DBOD No. FSC BC 42 / 24.47.00 / 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

SUBMISSION OF APPLICATION FORM

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Brokers / Sub Brokers at the time of submission of the Application. With regard to submission of Application Forms, please refer to the sub-section on "Issue Procedure - Application Form" on page 216 of this Draft Prospectus.

Kindly note that the Brokers / Sub Brokers at the Collection Centers may not accept the Application if there is no branch of the Escrow Collection Banks at that location.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Brokers / Sub Brokers will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. In case of ASBA Applications, an acknowledgement from the Designated Branch or concerned Brokers / Sub Brokers, as the case may be, for submission of the Application Form may be provided

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

a. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

b. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple

Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;

2. 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;

3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

4. PAN not mentioned in the Application Form;

5. GIR number furnished instead of PAN;

6. Applications for lower number of Equity Shares than specified for that category of investors;

7. Applications at a price other than the Fixed Price of the Issue;

8. Applications for number of Equity Shares which are not in multiples of 1,200;

9. Category not ticked;

10. Multiple Applications as defined in this Draft Prospectus;

11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

12. Applications accompanied by Stock invest/ money order/ postal order/ cash;

13. Signature of sole Applicant is missing;

14. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

15. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;

16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);

18. Applications by OCBs;

19. Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

20. Applications not duly signed;

21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;

22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

24. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;

25. Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 3.00 pm on the Issue Closing Date;

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE SCSBs DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 29 (1) of the Companies Act, 2013, the allotment of Equity Shares in this Issue shall be only in de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, the Company is in the process of signing two agreements with the respective Depositories and the Registrar to the Issue:

1. Agreement dated [●] with NSDL, the Company and the Registrar to the Issue;

2. Agreement dated [●] with CDSL, the Company and the Registrar to the Issue.

All Applicants can seek allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

2. The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

4. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository.

5. If incomplete or incorrect details are given under the heading 'Investors Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

6. The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

9. Allotment advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

Communications

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within twelve working days of date of closure of the Issue.

In case of applicants who receive refunds through ECS, Direct Credit or NEFT, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;

2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (twelve) working days of the Issue Closing Date would be ensured; and

The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the said Act."

BASIS OF ALLOTMENT

Allotment will be made in consultation with 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 here:

1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3) For applications where the proportionate allotment works out to less than 1,200 equity shares the allotment will be made as follows:

    a) Each successful applicant shall be allotted 1,200 equity shares;

    b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,200 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1,200 equity shares subject to a minimum allotment of 1,200 equity shares.

5) If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allocated Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 1,200 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

6) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

    a) A minimum of 50% of the net issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

b) The balance net issue of shares to the public shall be made available for allotment to (i) individual applicants other than retails individual investors and (ii) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

c) The unsubscribed portion of the net issue to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

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

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 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 BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this 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, 2009.

PROCEDURE AND TIME SCHEDULE FOR TRANSFER OF EQUITY SHARES

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Brokers / Sub-Brokers and SCSBs will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on[●] and expires on [●]. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 12 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBs

The Registrar to the Issue shall give instructions for credit of the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of closure of Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

Payment of Refund

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the Lead Manager shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS

The payment of refund, if any, would be done through various modes as given hereunder:

1) ***ECS*** *(Electronic Clearing System)* - Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

2) ***Direct Credit*** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3) ***NEFT*** *(National Electronic Fund Transfer)* - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

4) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

INTEREST IN CASE OF DELAY IN DISPATCH OF ALLOTMENT LETTERS OR REFUND ORDERS / INSTRUCTION TO THE SCSBs BY THE REGISTRAR

The issuer agrees that as far as possible allotment of securities issued to the public shall be made within twelve (12) days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen (15) per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;

2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;

3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;

4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

5) That the letter of allotment/ refund orders to the non resident Indians shall be dispatched within specified time;

6) That no further issue of Equity Shares shall be made till the Equity Shares issued through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.

7) That adequate arrangements shall be made till the securities issued through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.;

8) That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;

2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet 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 the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and

4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to100% under automatic route in our Company.

The consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("**DIPP**") by circular no. D/o IPP F. No. 5(1)/2015-FC-1 effective from May 12, 2015 ("**Consolidated FDI Policy"**), consolidates and supercedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

FIIs are permitted to subscribe to shares of an Indian company in a public issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

There is no reservation for non-residents, NRIs, Eligible FPIs, foreign venture capital funds, multilateral and bilateral development financial institutions and any other foreign investor. All non-residents, NRIs, Eligible FPIs and foreign venture capital funds, multilateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION X – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on July 21, 2014.

SHARE CAPITAL AND VARIATION OF RIGHTS

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:

   (a) one certificate for all his shares without payment of any charges; or

   (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

   (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

   (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

   (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

   (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.

7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

   (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 106 & 107 of Companies Act, 1956, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

12. (i) The company shall have a first and paramount lien

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

    Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

    (ii) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

    (iii) A call may be revoked or postponed at the discretion of the Board.

    (iv) Company may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

    (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

    (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Board

    (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

    (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

TRANSFER OF SHARES

22. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

    (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

23. The Board may, subject to the right of appeal conferred by section 58 decline to register

    (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

    (b) any transfer of shares on which the company has a lien.

24. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

25. On giving not less than seven days previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company.

TRANSMISSION OF SHARES

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

31. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

32. The notice aforesaid shall

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

37. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

39. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

40. Where shares are converted into stock,

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

CAPITALISATION OF PROFITS

42. (i) The company in general meeting may, upon the recommendation of the Board, resolve

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause

(iii) either in or towards

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

DEMATERIALISATION OF SECURITIES

44. (i) For the purpose of this Article:-

"Beneficial Owner" : Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depositor y" : Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member" : Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security" : Security shall mean such security as may be specified by SEBI.

(ii) "Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) "Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) "Beneficial Owner ma y opt out of a Depository" : Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) "Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) "Rights of depositor y and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) "Transfer of securities" : Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 108¸ of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) "Register and Index of beneficial owners": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) "Other matters": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialization of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

NOMINATION

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

BUY-BACK OF SHARES

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

47. All general meetings other than annual general meeting shall be called extraordinary general meeting.

48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

53. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

56. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

57. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

58. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

60. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

61. 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.

62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

64. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

65. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

66. The Board may pay all expenses incurred in getting up and registering the company.

67. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

69. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

70. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCECEDINGS OF THE BOARD

71. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

72. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

73. 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.

74. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be Chairperson of the meeting.

75. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

76. (i) A committee may elect a Chairperson of its meetings.

(ii) 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.

77. (i) A committee may meet and adjourn as it thinks fit.

(ii) 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.

78. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

79. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

80. Subject to the provisions of the Act,

(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 thinks 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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

81. A provision of the Act or these regulations requiring or authorising 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 done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

82. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

83. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

84. 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.

85. (i) 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.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

86. (i) 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.

(ii) 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.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

87. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

88. (i) 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

89. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

90. 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.

91. No dividend shall bear interest against the company.

92. No unclaimed Dividend shall be forfeited, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

ACCOUNTS

93. (i) 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.

(ii) 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.

WINDING UP

94. 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 in kind, the whole or, any part of the assets of the Company, whether they consist of property of the same kind or not.

95. 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 of different classes of members.

96. 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 as the liquidator shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated December 20, 2015 between our Company and the Lead Manager.

2. Memorandum of Understanding dated December 29, 2015 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.

4. Market Making Agreement dated December 20, 2015 between our Company, the Lead Manager and the Market Maker.

5. Underwriting Agreement dated December 20, 2015 between our Company, the Lead Manager and the Market Maker.

6. Tripartite agreement between the NSDL, our Company and the Registrar dated [●].

7. Tripartite agreement between the CDSL, our Company and the Registrar dated [●].

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Copy of Certification of Incorporation of Octaware Technologies Limited.

3. Resolution of the Board of Directors meeting dated October 05, 2015 authorizing the Issue.

4. Shareholders’ resolution passed at the Extra Ordinary General Meeting dated November 09, 2015 authorizing the Issue.

5. Auditor’s report for Restated Financials dated December 18, 2015 included in this Draft Prospectus.

6. The Statement of Tax Benefits dated December 18, 2015 from our Statutory Auditors.

7. Consent of our Directors, Company Secretary and Compliance Officer, Auditors, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.

8. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

9. Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

10. Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

________________________	**Mr. Aslam Khan** (Chairman and Managing Director)
________________________	**Mr. Sajid Hameed** (Whole Time Director)
________________________	**Mr. Siraj Gunwan** (Whole-Time Director)
________________________	**Dr. Shariq Nisar** (Non-Executive Independent Director)
________________________	**Dr. Sarika H. Lidoria** (Non-Executive Independent Director)
________________________	**Mr. Krishnan Narayanan** (Non-Executive Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

________________________	**Mr. Sajid Hameed** (Chief Financial Officer)

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

________________________	**Mr. Muzammil Memon** (Company Secretary & Compliance Officer)

Date: December 30, 2015
Place: Mumbai