

DRAFT INFORMATION MEMORANDUM

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

Dated: 18th October 2014

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



WEB ELEMENT SOLUTIONS LIMITED
[CIN: U72200MH2008PLC182320]

Registered Office: 301, Corporate Arena, Off. Aarey Piramal X Road, Behind Mahindra Gardens,
Goregaon (W), Mumbai - 400 062;

Tel: +91-22-67828282;

Website: www.webelementinc.com; **E-Mail:** info@webelementinc.com

Company Secretary & Compliance Officer: Ms. Sneha Nagori

Contact Person: Mr. Yadvender Singh S Kanwar, Whole-time Director

PROMOTERS OF THE COMPANY: MR. NAYAN JASWANT KUMAR SHAH & MRS. SHRENA KALPESH SHAH

Our Company was incorporated as “Web Element Solutions Private Limited” on 16th May, 2008 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was subsequently converted in to a Public Company and consequently name was changed to “Web Element Solutions Limited” vide fresh certificate of incorporation dated 5th August, 2014 issued by Registrar of Companies, Mumbai, Maharashtra.

THIS INFORMATION MEMORANDUM IS IN TERMS OF THE CHAPTER XC OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME AND WE PROPOSE TO LIST OUR 67,75,100 EQUITY SHARES OF RS. 10/- EACH ON INSTITUTIONAL TRADING PLATFORM (ITP) OF BSE SME.

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GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related terms

Term	Description
The Company / Company	Web Element Solutions Limited
Act/Companies Act	The Companies Act, 1956 or such other replaced provisions under the Companies Act, 2013 as may be applicable
Articles/Articles of Association	Articles of Association of the Company
Auditors	M/s Motilal & Associates, Chartered Accountants the statutory auditors of our Company
Board/Board of Directors of the Company	Board of Directors of our Company i.e. Web Element Solutions Limited
Browser	A software program that allows users to access the Internet
BSE	BSE Limited
BSE-SME	SME platform of BSE Limited
BSE-SME-ITP / ITP	Institution Trading Platform under SME platform of BSE Limited
Capital/ Share Capital/Equity Share Capital	Equity Share Capital of the Company
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depository	The Depositories Act, 1996 and amendment thereto
Domain Name	A method of identifying computer addresses.
Equity Share(s) or Share(s)	Means the equity shares of the Company having a face value of Rs. 10/- unless specified otherwise in the context thereof
Equity Shareholder	Means a holder of Equity Shares of Our Company
Financial Year/Fiscal/FY	Period of 12 month ended March 31 of that particular year unless stated otherwise.
HTTP	Hypertext Transfer Protocol is a protocol used to carry requests from a browser to a Web server and to transport pages from Web servers back to the requesting browser. Although HTTP is almost universally used on the Web, it is not an especially secure protocol.
HTTPS	Hypertext Transfer Protocol Secure is a variation of HTTP that provides for encryption and transmission through a secure port. HTTPS runs over a security mechanism known as SSL (Secure Sockets Layer).
IP Address	(Internet Protocol) The number or name of the computer from which you send and receive information on the Internet
IT	Information Technology
ITP	Institutional Trading Platform
Memorandum/Memorandum of Association	Memorandum of Association of the Company
Networking	Networking is the practice of linking two or more computing devices together for the purpose of sharing data. Networks are built with a mix of computer hardware and computer software.

Term	Description
NSDL	National Securities Depository Limited
Piracy	Piracy is the theft of a computer design or program and also includes unauthorized distribution and use of a computer program.
Portal	A Web site "gateway" that provides multiple services, which could include Web searching capability, news, free-email, discussion groups, online shopping, references and other services.
Promoter(s)	Mr. Nayan Jaswant Kumar Shah & Mrs. Shrena Kalpesh Shah
ROC	Registrar of Companies, Mumbai, Maharashtra.
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Sites	A site is a location on the World Wide Web that stores files. Each site is owned and managed by an individual, company or organization.
T.P.	Transfer of Property Act, 1882
SEBI	Securities and Exchange Board of India
SEBI Act,	Securities and Exchange Board of India Act, 1992
Stock Exchange	Shall refer to the BSE Limited where the Shares of the Company proposed to list
Virus	A virus is a software program designed to infect, destroy or interfere with a computer or software program and can be transmitted between computers via networks (especially the Internet) or removable storage such as CDs, USB drives, floppy disks, etc., generally without the knowledge or consent of the recipient
www	World Wide Web
Website	A website is a collection of related web pages, images, videos, or other digital assets that are addressed relative to a common Uniform Resource Locator (URL), often considering of only the domain name, or the IP address, and root path in an Internet-Protocol-based network. It is a set of web pages designed, presented, and linked together to form a logical information resource and/or transaction initiation function.

In this Information Memorandum, unless the context otherwise indicates, all references to “Web”, “the Company”, “our Company” are to Web Element Solutions Limited, a company incorporated in India under the Companies Act, 1956 (the “Companies Act”) with its Registered Office at 301, Corporate Arena, Off. Aarey Piramal X Road, Behind Mahindra Gardens, Goregaon (W), Mumbai - 400 062. Furthermore, all references to the terms “we”, “us” and “our” are to Web Element Solutions Limited.

Abbreviations:

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.Com	Bachelor of Commerce
B.E.	Bachelor of Engineering
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FY / Fiscal	Financial Year
GDP	Gross Domestic Product
GRDI	Global Retail Development Index
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
Eqty	Equity
PAN	Permanent Account Number
RoC/Registrar of Companies	Registrar of Company, Mumbai Maharashtra.
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

CURRENCY OF PRESENTATION

In this Draft Information Memorandum, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared and in accordance with the applicable regulations. In this Draft Information Memorandum, any discrepancies in any table between the total and the sums of the amounts mentioned are owing to rounding-off.

In this Draft Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”.

INDUSTRY & MARKET DATA

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

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

FORWARD LOOKING STATEMENTS

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

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

GENERAL INFORMATION**WEB ELEMENT SOLUTIONS LIMITED
(CIN: U72200MH2008PLC182320]**

Our Company was originally incorporated as “Web Element Solutions Private Limited” on 16th May 2008 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was subsequently converted in to a public company and consequently name was changed to “Web Element Solutions Limited” vide fresh certificate of incorporation dated 5th August, 2014 issued by Registrar of Companies, Mumbai, Maharashtra.

Absolute Responsibility of Web Element Solutions Limited

Web Element Solutions Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

REGISTERED OFFICE:

301, Corporate Arena,
Off Aarey Piramal X Road,
Behind Mahindra Gardens,
Goregaon (West),
Mumbai - 400 062
Tel: +91-22-67828282
Fax: +91-22-67828203
Website: www.webelementinc.com
E-Mail: info@webelementinc.com

COMPANY REGISTRATION NUMBER: 182320

COMPANY IDENTIFICATION NUMBER: U72200MH2008PLC182320

ADDRESS OF REGISTRAR OF COMPANIES

100, Everest, Marine Drive,
Mumbai - 400 002
Tel: 022-22846955, 22812627, 22812645
Fax: 011-22811977,
Email: roc.mumbai@mca.gov.in

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Nayan Jaswant Kumar Shah	Non-Executive Non Independent Director	06857389	B-504, Shiv Darshan II, SVP Road, Kandivali - West Mumbai - 400067
Mr. Yadvender Singh S Kanwar	Whole Time Director	02150704	22/604 Phase 3 Golden Nest Complex, Mira Bhayander Road Mira Road, Thane, 401107

NAME	DESIGNATION	DIN	ADDRESS
Mr. Shailesh B Patel	Executive Director	02150718	C-301, Lumbini Palace, Tejpal Road, Vile Parle East, Mumbai - 400057
Mr. Samir Gajjar	Non-Executive Independent Director	06653008	E-401, Bhoomi Enclave, Mahavir Nagar, Kandivali (W), Mumbai - 400007
Mr. Sunil Satyanarayan Sharma	Non-Executive Independent Director	01568825	2-2, M.H.No.72, Nemani Building N. S. Patkar Road, Mumbai - 400007
Mr. Kirankumar Navinchandra Shukla	Non-Executive Independent Director	01568997	52-3, Old Mahavir Bld., Bhandarkar Road, Matunga Mumbai - 400019

For further details of Management of our Company, please refer to section titled "Our Management" on page 47 of this Information Memorandum.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Sneha Nagori
301, Corporate Arena,
Off Aarey Piramal X Road,
Behind Mahindra Gardens,
Goregaon (West),
Mumbai - 400 062
Website: www.webelementinc.com
E-Mail: compliance@webelementinc.com

STATUTORY AUDITORS

MOTILAL & ASSOCIATES
Chartered Accountants,
304, Orchid Plaza,
Near Platform No. 8,
Next to Pantaloon,
S.V. Road,
Borivali (West),
Mumbai-400 092
Firm Registration No. -10584W

INVESTING VENTURE CAPITAL FUND

NEXT ORBIT VENTURES FUND
Bldg No.52, Room No. 11,
3rd Marine Street,
Dhobi Talao, Mumbai-400002
SEBI Regn. No: IN/VCF/11-12/0232

REGISTRAR OF THE COMPANY

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

Unit No. 9,
Shiv Shakti Industrial Estate
J.R. Boricha Marg,
Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai - 400 011
Tel.: +91 22 23016761/8261
Fax: +91 22 23012517
Web: www.purvashare.com
Email: busicomp@vsnl.com
Contact Person: Mr. Rajesh Shah
SEBI Registration No: INR000001112

BANKER OF THE COMPANY

Axis Bank Limited

Ground Floor & First Floor, Patkar College,
S V Road, Goregaon West, Mumbai - 400062

ELIGIBILITY CRITERIA

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

We Confirm that

1. The name of our company, our promoters, any of our group companies or directors do not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the company that has been admitted by a competent court or a liquidator has been appointed;
3. Our company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We have been incorporated on 16th May, 2008 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rs. One Hundred Crores in any of the previous financial years.
6. The paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
7. We have completed fiscal 2013-14 being one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;
8. Next Orbit Ventures Fund (A SEBI Registered Ventures Fund) having registration no. N/VCF/11-12/0232 in accordance with Regulation 106 Y (h) (iv) of SEBI (ICDR) Regulations, 2009, as amended has invested a sum of Rs. 50.00 Lacs on dated 2nd September, 2014 by applying 5,00,000 Equity Shares of our Company at a price of Rs. 10 Each and these shares would be under lock in for a period of three years from the date of listing.
9. In accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, Our Promoter i.e. Mr. Nayan Jaswant Kumar Shah has given their consent to lock-in 13,55,020 Equity Share representing 20.00 % of Paid up Capital of the Company.
10. We have entered tripartite depository agreement with CDSL & NSDL.
11. Our Company has Net Tangible Assets of Rs. 632.53 Lacs, which is in excess of Rs. 1 Crore as per the latest audited financial results. Our Net Tangible Assets as on 31st March, 2014 are disclosed as under:

Particulars	31.03.2014
Fixed Assets- Net Block	4.27
Capital Work in Progress	330.00
<i>Current Assets, Loans and Advances:</i>	
Trade Receivables	21.34
Cash & Bank Balances	145.18

Particulars	31.03.2014
Short Term Loans & Advances	119.00
Other Current Assets	20.20
Total Assets (A)	639.99
<i>Less: Current Liabilities & Provisions:</i>	
Expenses Payable and Other Current Liabilities	7.46
Total Current Liabilities & Provisions (B)	7.46
Net Tangible Assets (A-B)	632.53

12. There has not been any change in promoters of the Company in preceding one year from date of filing the application to BSE for listing under ITP segment.

We further confirm that in terms of Regulation 106ZC of SEBI (ICDR) Regulations, 2009:

1. All Equity Shares of our Company shall be in dematerialized form upon listing on Institutional Trading Platform;
2. Our Company shall have connectivity with at-least one depository at all times;
3. The minimum trading lot on institutional trading platform shall be Rs. 10.00 Lacs

SECTION I-BUSINESS

Our Business and Operations:

Our Company was incorporated as “Web Element Solutions Private Limited” on 16th May, 2008 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was subsequently converted in to a public company and consequently name was changed to “Web Element Solutions Limited” vide fresh certificate of incorporation dated 26th March, 2014 issued by Registrar of Companies, Mumbai, Maharashtra.

We have evolved as “Web Element Inc, a partnership firm of our promoters and family members. We became partner in Web Element Inc. by acquisition of 80% sharing ratio w.e.f. 1st April, 2013 and later on w.e.f. 1st April 2014 we became 100 % owner of Web Element Inc. Currently we have acquired the entire business of Web Element Inc.

We strive on becoming a complete web solution provider for growth oriented businesses world over. We have emerged successfully to become one of the key solution providers for various web solutions needs like programming services, web application services and other related services. From the time of inception, we have provided a comprehensive range of software consultation and technology solutions to industry and commerce worldwide.

Our Company is an emerging leader in providing end to end web solutions and custom software development. Our range of servicing capabilities is wide spread and includes business process enhancement services, customized web application services, app development and enterprise mail hosting services.

The Company believes is adapting fast to the ever changing technological landscape to continue delighting customers with solutions backed by the latest tools and technologies.

Our Services:

We foray in to following arena of services:

- Web Applications
- Programming Services
- E-commerce Services
- CMS Services
- CRM & ERP Solutions
- Web Development
- Domain space
- Hosting
- Visual Communications
- Flash Development
- Animation & Multimedia
- QC/ Testing Services
- Outsourcing and Recruitment Services

BUSINESS PROCESS:

Our Services can be summarized as under:-

- Our servicing expertise not only covers actual development and testing stage but is much more matured and evolved to include the below factors that comprise of client friendly project management:

- Thorough review and analysis of project requirement.
 - Providing delivery solutions alternatives and allowing clients to select the best one based on their needs and budget.
 - We help migration of existing applications to more viable software options keeping in mind their growth needs and profile of their target audience.
 - We facilitate easy integration of our IT solutions with their existing ERP, CRM or other IT systems in place, thus offering minimal downtime at time of integration.
 - We also provide re-engineering, transition and performance tuning.
- We offer maintenance and periodic upkeep of software solutions deployed by Web Element

Some of the IT services that Company has proficiency in are:

- Business Process Automation
- Web Application Services
- Mobile App. Development
- Email Marketing
- Enterprise Email
- Enterprise Hosting
- Cloud Computing
- Domain Management

OUR CLIENTS

Few of our esteemed clients are listed below:

- Securities And Exchange Board of India (SEBI)
- BLR Logistiks (I) Ltd.
- Reco Transformers Pvt. Ltd.
- Pangal Computers Pvt. Ltd.
- Kunark Hitech Machining and Sales Pvt. Ltd.
- Zicom Security Systems
- Sigma Seals
- Farrell Engineering
- Apex - Art of Living
- VFS (India) Pvt. Ltd.
- Adit Security System Pvt. Ltd.
- Parle Global Technologies Pvt. Ltd.
- General Auto Electric Corporation
- Laqshya Event IP Private Limited
- New Berry Capitals Pvt. Ltd.
- Gaurang Electronic Industries

Our Infrastructure

Our development center's are well equipped with the latest hardware and Software development, testing and analysis tools. Secure high-speed telecommunication links between facilities gives an on-line, fast and transparent access to the hardware and software resources distributed across different locations. Today Web Element, Inc. has a proven track record of being a trusted technology partner, delivering solid enterprise-wide business solutions to various Indian and International Clients.

Competition

Our operations of web development and hosting faces intense competition from various small scale unorganized players. Our ability to deal with competition depends on several factors which includes quality, price and most importantly to upgrade with the latest technologies.

We face competition for some other products we offer. There are a number of players involved and invested in the development of website, software and technologies, which may perform functions similar to the applications developed by us. The Company may face competition to its products from such software and applications.

Industry Segment overview

WEB DEVELOPMENT IN INDIA:

The procedure of creating and maintaining of websites is called web development. Web development today has caught up a good market in Indian cities among various organizations, companies, individuals and businesses. Today, in the cities of India, in order to survive in tough competition it has become mandatory for the firms to look out for innovative ways to promote their businesses. The website development services are hence in good craze among these business promoters who are now turning towards internet technologies for promotion. Awareness about the internet online marketing strategies is increasing among the people across different fields or sectors.

For example various organizations, hospitals and several other entities in the country are also looking to promote their identity through the internet marketing. While even the educational institutes who are now creating their online presence with neat and informative websites are creating demand for website development

Not only among the local bodies, services of web development companies in India are quite popular among the businesses and organizations of other countries too. The main reason for this is undoubtedly the cost effectiveness of the Indian web developing services in comparison to those found in other advanced countries like US, UK, Canada, and Australia etc. Today there are abundant web development companies in India and hence there is a tough war going on between the developing firms who are now trying to get services from other countries too. In India today, finding a reliable web development service at a competitive price is not an issue at all. Outsourcing of web development services has become quite a popular and more and more businesses from across the globe are today looking out to source their web development requirements to the companies here in order to get quality services at cost effective price.

Quality is yet another factor that contributes to the rising market of web development services in India. Today there is no lack of skills and quality website developers in India. The dedicated website developers who can work full time or part time to meet the needs of a firm can be easily found in India. Hence web development market in India has got a hike and is quite in demand among both the local as well as the international firms looking for online business promotion.

CUSTOM SOFTWARE DEVELOPMENT:

Custom software development is the designing of software applications for a specific user or group of users within an organization. Such software is designed to address their needs precisely as opposed to the more traditional and widespread off-the-shelf software. Such software is typically created just for that specific entity by a third-party by contract or in-house group of developers and is not packaged for reselling.

Custom software is important because it is the most appropriate way of catering to the specific needs of the organizations as well as the businesses across the globe. Some of the most important usages of custom software are found in the following fields:

Shops: One of the most popular fields of customer software is the billing. Majority of the small shops, super markets, and whole sellers use the custom software to handle their stock details and to generate bills.

Hospitals: Hospitals can maintain the data of their patients for any length of time and retrieve that data anytime. This enables the doctor and his assistants to transfer the details of a patient through a network. Keeping the patient's blood group in the hospital database makes the search for suitable group blood easy. Hospitals also use the billing software especially in their dispensary.

Schools: The custom software is used by the schools to keep the admission details of students. The transfer certificates are also produced by these software. Some governments develop special soft ware for all of their schools in order to produce some kind of uniformity for the schools.

Financial Institutions: The custom software is used by the financial institutions to keep the details of its present clients, investors, prospective clients etc. The industry specific data is also maintained in these kind of software.

These are the few places where the custom software is used by the various organizations.

Intellectual Property:

Presently, we do not own any patent or trademark. We are in process of registration of our corporate logo.

Licenses:

Approvals/ Licenses/Permissions Procured to conduct our Business:

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue
Constitutional Registration				
1.	Certificate of Incorporation	U72200MH2008PTC1 82320	Registrar of Companies, Mumbai, Maharashtra	May 16, 2008
2.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	U72200MH2008PLC1 82320	Registrar of Companies, Mumbai, Maharashtra	August 05, 2014
Taxation Registration				
3.	Permanent Account Number	AAACW7900J	Income Tax Department	N.A.
4.	TAN	MUMW03599B	Income Tax Department	N.A.
5.	Service Tax	AAACW7900JSD001	Central Board of Excise & Customs	September 24, 2014
Others				
6.	Shop and Commercial Establishment Registration	707519243	Inspector under the Maharashtra Shops and Establishment Act, 1948	September 23, 2014

Franchisee / concessions:

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

Working Capital:

Our business do not envisage much working capital. Working capital is generally comprises from receivables from our debtors.

As on 31st March, 2014 and 31st March, 2013 our working capital comprised of followings:

Particulars	Amount (FY 2013-14) Rs. in Lacs	Amount (FY 2012-13) Rs. in Lacs
Trade Receivables	14.66	-
Cash and Bank Balances	10.65	1.43
Other Current Assets	19.07	0.48
Total (A)	44.38	1.91
Less:		
Expenses & Other Liabilities	6.72	1.23
Short term provisions	16.23	0.55
Total (B)	22.95	1.78
Net Working Capital (A-B)	21.44	0.13

We have funded our working capital requirement from our own funds. Companies engaged in industry in which we operate, finance its working capital through borrowed funds (mainly bank and financial institutions) and its own funds.

Research & Developments:

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

Human Resources:

The details of manpower employed as on date are as under:

Sr. No	Category	No. of employees
1.	Whole Time Director	1
2.	Executive Director	1
3.	Accounts Head	1
4.	Administration	4
5.	Marketing	2
6.	Project Manager	1
7.	System Analyst	1
8.	Senior Developers	3
9.	Junior Developers	5
10.	Designers	2
11.	Company Secretary	1
12.	Assistants	3
	TOTAL	25

Our Organization structure of the Company is as follows -



FINANCIAL INFORMATION

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

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS
WEB ELEMENT SOLUTIONS PRIVATE LIMITED.**

Report on the Financial Statements

We have audited the accompanying financial statements of Web Element Solutions Private Limited ('the Company') which comprises the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014; and
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The provisions of the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, are not applicable to this company.

2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013

(e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2014 from being appointed as a Director in terms of Section 274(1) (g) of the Act.

For J. K. Choudhary & Co

Chartered Accountants

Sd/-

(Jasaram K. Choudhary)

Proprietor

Membership No. 016591

F.R.N. 101923W

BALANCE SHEET AS AT 31ST MARCH, 2014 AND 31ST MARCH 2013			
Particulars	Note	(Amount in Rs.)	
		As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	4	1,00,000	1,00,000
(b) Reserves and Surplus	5	(47,64,761)	(49,96,575)
(2) Share application money pending allotment			
(a) Share Application Money		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	6	72,35,381	50,34,000
(b) Trade payables	7	6,72,015	1,23,403
(c) Other current liabilities	8	16,22,664	54,808
(d) Short-term provisions		-	-
Total		48,65,299	3,15,636
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	4,26,925	1,24,488
(b) Deferred tax assets (net)		-	-
(c) Long term loans and advances		-	-
(d) Other non-current assets		-	-
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade Receivables	10	14,65,892	-
(d) Cash and Cash Equivalentents	11	10,65,034	1,43,107
(e) Short-term loans and advances		-	-
(f) Other Current Assets	12	19,07,448	48,041
Total		48,65,299	3,15,636

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 AND 2013			
Particulars		Amount in Rs.	
		As at 31st March 2014	As at 31st March 2013
I. Revenue from operations		-	-
II. Other Income	13	11,97,065	-
III. Total Revenue (I +II)		11,97,065	
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense		-	-
Financial costs		-	-
Depreciation and amortization expense	9	-	-
Other expenses	14	9,65,251	899
Total Expenses		9,65,251	899
V. Profit before exceptional and extraordinary items and tax.		2,31,814	(899)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,31,814	(899)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		2,31,814	(899)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax Liabilities / (Assets)		-	-
(3) Income tax Adjustment		-	-
(4) Deferred tax Adjustment		-	-
XI. Profit (Loss) from the operations.		2,31,814	(899)
DISCONTINUING OPERATIONS			
XII. Profit / (Loss) from discontinuing operations (before tax)		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/ (Loss) balance transferred to Balance Sheet. (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		2,31,814	(899)
XVI. Earning per equity share:			
(1) Basic		23.18	(0.09)
(2) Diluted		-	-

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 AND 31ST MARCH, 2013		
PARTICULARS	Amount in Rs.	
	31.03.14	31.03.14
(A) CASH FLOW FROM OPERATING ACTIVITIES:-		
1. Net profit before tax	2,31,814	(899)
2. Adjustment for:		
<u>Add:</u> Depreciation & Amortization Expenses	-	-
Operating Profit before Working capital changes	2,31,814	(899)
3. Working Capital Changes:		
Decrease (Increase) in Trade & Other Receivables	(14,65,892)	-
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Short Term Provision	-	-
Decrease (Increase) in Other Current Assets	(18,59,407)	-
Increase (Decrease) in Trade & Other Payables	5,48,612	(6,25,000)
Increase (Decrease) in Other Current Liabilities	15,67,856	-
-Increase (Decrease) in Other Liabilities	-	-
Net Changes in Working Capital	(1,208,831)	(6,25,000)
Cash Generated from Operations	(9,77,017)	(6,25,899)
Adjustment of Taxes	-	-
Net Cash Flow from Operating Activities (A)	(9,77,017)	(6,25,899)
(B.) CASH FLOW FROM INVESTING ACTIVITIES :		
Sale / (Purchase) of Fixed Assets	(3,02,437)	-
(Increase) Decrease in Other Non-Current Assets	-	-
(Increase) Decrease in Long Term Loans & Advances	-	-
(Increase) Decrease in Short Terms Loans & Advances	-	-
Decrease (Increase) in Current Investments	-	-
Decrease (Increase) in Non-Current Investments	-	-
Net Cash Flow from Investing Activities (B)	(3,02,437)	-
(C.) CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Share Capital	-	-
Loan Taken / (Repaid)	2,201,381	6,25,000
Net Cash Flow from Financing Activities (C)	2,201,381	6,25,000
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	9,21,927	(899)
Cash and cash equivalents at the beginning of the year / Period	1,43,108	1,44,007
Cash and cash equivalents at the end of the year/ Period	10,65,034	1,43,108

NOTE: 1 CORPORATE INFORMATION:-

Web Element Solutions Private Limited is a private limited company domiciled in India incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of trading in computer hardware and Software, Website Development, Consultancy and allied services. The Company joined as a partner with M/s. Web Element Inc. on 01.04.2013. M/s. Web Element Inc. is engaged in business of developing and providing web solutions and information technology products & services.

NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES:-

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

The accompanying financial statements have been prepared on going concern basis under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the provisions of the Companies Act 1956 and the applicable Accounting Standards issued by The Institute of Chartered Accountants of India.

B. FIXED ASSETS :-

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.

C. DEPRECIATION & AMORTISATION: -

(a) Depreciation: - Depreciation on Fixed Assets has been provided on written down value method at the rates and in the manner as prescribed in Schedule "XIV" to the Companies Act, 1956 and on pro rata basis in respect of additions and deductions to all fixed assets. However no depreciation has been provided.

(b) Amortization: - Not Applicable

D. INVENTORIES: -

Closing Stock is valued at cost. However there is no closing stock.

E. REVENUE RECOGNITION :-

Mercantile method of accounting has been followed by the Company. However, where the amount is immaterial / negligible and / or where the establishment of accrual / determination of amount is not possible, no entries are made for the accruals. Interest on Fixed Deposits is accounted on receipt basis.

F. ACCOUNTING FOR TAXES ON INCOME: -

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax assets are recognized and carried forward only to the extent there is a reasonable certainty that these will be realized in future.

NOTE: 3 OTHER NOTES:-

The Company entered into partnership with M/s. Web Element Inc. on 01.04.2013. There has been a change in the constitution of the said firm on 31.03.2014 whereby out of the three partners, two partners have resigned. Consequently, the said firm is left with only one partner i.e. the company, with the power to induct any other partner or carry on the activities in any manner as it may consider fit. The Board of Directors of the company have decided not to induct any new partner and carry out the activities of the said firm in the status of a sole-proprietorship concern of the company. Accordingly all assets & liabilities of the erstwhile partnership firm as

on 31.03.2014, as per its audited Balance Sheet, have been incorporated in the Balance Sheet of the company as at 31.03.2014.

NOTE: 4 SHARE CAPITAL:-

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	AUTHORIZED CAPITAL		
	1,00,000 Equity Shares of Rs 10 Each	10,00,000	5,00,000
2	ISSUED		
	10,000 Equity Shares of Rs 10 Each	100,000	100,000
3	SUBSCRIBED & PAID UP CAPITAL		
	10,000 Equity Shares Of Rs 10 Each	100,000	100,000

Sr. No.	Reconciliation of No. of shares at the beginning and at the end of the year	As at 31.03.2014	As at 31.03.2013
1	Equity share (Nos.)	-	-
	Outstanding at the beginning of the year	10,000	10,000
	Issued during the Year	-	-
	Outstanding at the end of year	10,000	10,000
2	Equity Shares in (value)		
	Outstanding at the beginning of the year	1,00,000	1,00,000
	Issued during the Year	-	-
	Outstanding at the end of year	1,00,000	1,00,000

NOTE: 5 RESERVES AND SURPLUS:-

Particulars	As at 31.03.2014	As at 31.03.2013
Profit & Loss Account:		
As per last Balance sheet	(49,96,575)	(49,95,676)
Add: Profit for the Year	2,31,814	(899)
Total	47,64,761	49,96,575

NOTE : 6 SHORT TERM BORROWINGS:-

Particulars	As at 31.03.2014	As at 31.03.2013
Loans and advances from related parties:		
Unsecured	72,35,381	50,34,000
Total	72,35,381	50,34,000
(These are loans received from promoters and relatives having no repayment schedule)		

NOTE: 7 TRADE PAYABLES:-

Particulars	As at 31.03.2014	As at 31.03.2013
Trade creditors	6,72,015	1,23,403
Total	6,72,015	1,23,403

NOTE: 8 OTHER CURRENT LIABILITIES:-

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Employees professional tax payable	51,450	54,808
2	TDS Payable	64,808	-
3	Service tax payable	15,06,406	-
	Total	16,22,664	54,808

NOTE: 9 TANGIBLE ASSETS AND DEPRECIATION:-

DESCRIPTION	Deprn. Rate %	GROSS BLOCK			DEPRECIATION				NET BLOCK (Amount in Rs.)	
		As at 01.04.13	Additions / (Deduction)	As at 31.03.14	Up to 01.04.13	For the Year	Dedn/ Adj.	Up to 31.03.14	As at 31.03.14	As at 31.03.13
Computer & Printer	40.00	2,96,400	-	2,96,400	1,71,912	-	-	1,71,912	1,24,488	1,24,488
Computer & Printer		-	16,53,661	16,53,661	-	-	16,45,907	16,45,907	7,754	-
Air Conditioner		-	1,79,366	1,79,366	-	-	1,15,350	1,15,350	64,016	-
Furniture & Fixtures		-	3,97,711	3,97,711	-	-	1,88,295	1,88,295	2,09,416	-
Office Equipments		-	55,476	55,476	-	-	35,573	35,573	19,903	-
Water Dispenser		-	7,760	7,760	-	-	6,412	6,412	1,348	-
Total		2,96,400	22,93,974	25,90,374	1,71,912	-	19,91,537	21,63,449	4,26,925	1,24,488

Note : Additions to fixed assets during the year (Gross Block Rs. 22,93,974/-, Accumulated depreciation of Rs. 19,91,537/-, Net Block Rs. 302,437/-) pertains to fixed assets of the erstwhile partnership firm namely M/s. Web Element Inc. (Refer Note no. 3 of notes to accounts).

NOTE: 10 TRADE RECEIVABLES:-

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured considered good:		
Outstanding for a period exceeding six months	8,31,938	-
Others	6,33,954	-
Total	14,65,892	-

NOTE 11 CASH AND CASH EQUIVALENTS:-

Particulars	As at 31.03.2014	As at 31.03.2013
Balance with Banks:		
In current account	4,20,445	13,107
FD with cosmos co-op Bank	30,000	30,000
Cash in hand	6,14,589	100,000
Total	10,65,034	1,43,107

NOTE :12 OTHER CURRENT ASSETS:-

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Excess TDS Paid (AY. 2011-2012)	-	1,180
2	Other Advances	11000	-
3	TDS Receivable	18,96,448	-
4	Service tax receivables	-	46,861
	Total	19,07,448	48,041

NOTE : 13 OTHER INCOME:-

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Share of Profit from Web Element Inc	10,20,034	-
2	Asset/ Liabilities no longer required written back	1,77,031	-
	Total	11,97,065	-

NOTE : 14 OTHER EXPENSES:-

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Bank Charges	2640	899
2	Prior period item	46,861	-
3	Depository fees	65,170	-
4	Professional fees	38,350	-
5	ROC fees	8,12,230	-
	Total	9,65,251	899

NOTE : 15 RELATED PARTY DISCLOSURES:-

As per accounting standard 18, disclosures of the transactions with the related parties as defined in the Accounting Standard are given below;

- (i) List of related parties with whom transactions have been taken place and relationship :

NAME OF THE RELATED PARTY	RELATIONSHIP
Kalpesh K. Shah	Key Management Personnel
Shailesh B. Patel	Key Management Personnel
Kanwar Y. Singh	Key Management Personnel
Aarti K. Shah	Relative of Key Management Personnel
Ketan K. Shah	Relative of Key Management Personnel
Kirti R. Shah	Relative of Key Management Personnel
Web Element Inc.	Partnership Firm in which co. is partner

(ii) Transaction during the year with related parties:- (Amount in Rs.)

Nature of Transaction	Key Management Personnel and their relatives	Partnership Firm in which co. is partner
Loans & Advances Taken	38,50,000	-
Loans & Advances Repaid	22,50,000	6,80,000

NOTE : 16 BASIC AND DILUTED EARNINGS PER SHARE:-

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
Net profit after tax as per statement of profit & loss	2,31,814	(899)
Weighted average number of equity shares	10,000	10,000
Basic and diluted earning per share	23.18	(0.09)

NOTE : 17 VALUE OF IMPORTS ON CIF BASIS:-

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
Capital Goods	-	-
Capital Goods (Advance)	-	-

NOTE : 18 DETAILS OF CONSUMPTION OF IMPORTED & INDIGENOUS ITEMS:-

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
Stores, Spare Parts & Consumables:		
Imported	-	-
Indigenous	-	-

NOTE : 19 EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY:-

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
Expenditure in foreign currency	-	-
Earnings in foreign currency	-	-

CAPITAL STRUCTURE

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

Sr. No	Particulars	Aggregate value at face value / Aggregate Nominal Value (Rs. in Lacs)
A.	Authorized Share Capital	
	1,00,00,000 Equity Shares of face value of Rs.10 each	1000.00
B.	Issued, subscribed and paid-up Equity Share Capital	
	67,75,100 Equity Shares of face value of Rs.10 each	677.51

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

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
16/05/2008	10,000	10	10	Cash	Subscription to MOA	10,000	1,00,000	NIL
09/07/2014	4,00,000	10	100	Cash	Further Allotment	4,10,000	41,00,000	NIL
02/09/2014	63,65,100	10	10	Cash	Further Allotment	67,75,100	6,77,51,000	NIL

NOTES FORMING PART OF CAPITAL STRUCTURE

1. We have not issued any Equity Shares for consideration other than cash.
2. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 230- 233 of the Companies Act, 2013.
3. Issue of Equity Shares in the last one (1) year:

Except as stated below we have not issued any Equity Shares in the preceding one year:

Date of Allotment	Number of Equity Shares	Name of the Allottee	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
09/07/2014	4,00,000	Yadvender Singh S Kanwar (5000), Shrena Kalpesh Shah(5000), Shailesh Patel(5000),Nayan J	Promoter & Promoter Group	Further Allotment	10	10

Date of Allotment	Number of Equity Shares	Name of the Allottee	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
		Shah(250000),Purvi Ketan Shah(5000) Divya Hemant Shah(20000) Labdhi Nitin Vora(10000) Binoy Rajen Shah(50000) Malav Rajen Shah(50000)	Non Promoters			
02/09/2014	63,65,100	Nayan Jaswantkumar Shah(1200000) Pershattambhai Hardasbhai Patel(165000), Manubhai Hardasbhai Patel (165000), Lilaben Parsottambhai Patel (117500), Kantaben Manubhai Patel(117500), Nareshbhai Batukbhai Thumar(140000), Rajeshbhai Manubhai Thummar(140000), Gaurang Manubhai Thumar(140000), Bhavin Parsottambhai Thumar(140000), Hardip Parshotambhai Thummar(140000), Dimpalben Bhadreshbhai savaliya(117500), Bhadresh Ghanshyambhai Patel(59000), Piyush Bipinbhai Modi(59000), Tarla Rajendra Shah(200000), Hinal Rajendra Shah(200000), Kantilal A Shah(35000), Kantilal A Shah HUF(35000), Bharati Jitendra Ladhani(20000), Rahul Prakash Kothari(50000), Prakash Kapoorchand Kothari(50000), Prabha Prakash Kothari,(50000), Jayesh J. Shah(60000), Vishal J. Shah(60000), Kunal J. Shah(60000), Sharad H. Shah(120000), Hemant H. Jain(100000), Vikram H. Jain(100000), Prakashmal Malaji Jain(50000), Sanjay Prakashmal Jain(50000), Chetna Nitin Vora(150000), Anisha H Shah(35000), Sejal S Shah(35000), Chetna D Shah(35000), Shobha	Promoter Non Promoters	Further Allotment	10	10

Date of Allotment	Number of Equity Shares	Name of the Allottee	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
		Golecha(50000), Pushpa Poonamchand Jain(50000), Seema Golechha(50000), Satish A Chheda(40000), Chandrika Shantilal Chheda(40000), Jagruti Satish Chheda(40000), Alka Bharat Mehta(50000), Parag Bharat Mehta(50000), Bhavna Ramesh Haria(100000), Raj Kumar Shah(50000), Kumar N. Shah HUF(100000), Praful N. Shah HUF(75000), Kumar Nagindas Shah(50000), Praful Nagindas Shah(75000), Vishal Kumar Shah(50000), Next Orbit Ventures Fund(500000), Nayan Impex Pvt. Ltd.(100000), Sunita Jain(33000), Dineshkumar Sonagara(33300), Sapna Sonagara(50000), Sushil Sonagara(33300), Kalavati Sonagara(50000), Parag Amichand Madhani(50000), Parag Amichand Madhani HUF(50000)Umashankar Vedprakash Agarwal(50000)				

Shareholding of our Promoter:

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

MR. NAYAN JASWANT KUMAR SHAH						
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Shareholding %
09/07/2014	Cash	250000	10	10	Allotment	
02/09/2014	Cash	1200000	10	10	Allotment	
Total		1450000				21.40

MRS. SHRENA KALPESH SHAH						
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Shareholding %
15/05/2008	Cash	800	10	10	Subscription to MOA	
08/08/2014	Cash	3500	10	10	Transmission	
09/07/2014	Cash	5000	10	10	Allotment	
Total		9300				0.14

Statement showing Share Holding Pattern of Web Element Solutions Limited as per clause 34 of Listing on Institutional Trading Platform

(I)(a)

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise Encumbered	
					As a percentage of (A+B) (VI)	Number of Shares (VII)	As a percentage (VIII)= (VII) / (IV) *100
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/ Hindu Undivided Family	5	1480000	1480000	21.84	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(1)	5	1480000	1480000	21.84	-	-
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise Encumbered	
					As a percentage of (A+B) (VI)	Number of Shares (VII)	As a percentage (VIII)= (VII) / (IV) *100
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	1480000	1480000	21.84	-	-
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI	-	-	-		NA	NA
(b)	Financial Institutions/ Banks	-	-	-		NA	NA
(c)	Central Government/ State Government(s)	-	-	-		NA	NA
(d)	Alternate Investment Funds / Venture Capital Funds	1	500000	500000	7.38	NA	NA
(e)	Insurance Companies	-	-	-		NA	NA
(f)	Foreign Institutional Investors	-	-	-	-	NA	NA
(g)	Foreign Venture Capital Investors	-	-	-		NA	NA
(h)	Any Other	-	-	-		NA	NA
	Sub-Total (B)(1)	1	500000	500000	7.38	NA	NA
(2)	Non- institutions						
(a)	Bodies Corporate	1	100000	100000	1.48	NA	NA
(b)	Individuals	62	4695100	4695100	69.30		
(c)	Qualified Foreign Investors	-	-	-	-	N.A	N.A
(d)	Any Other	-	-	-	-		
	Sub-Total (B)(2)	63	4765100	4765100	70.78	N.A	N.A
	Total Public Shareholding (B)= (B)(1)+(B)(2)	64	5295100	5295100	78.16	N.A	N.A
	TOTAL (A)+(B)	69	6775100	6775100	100.00	N.A	N.A

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

Sr. No.	Name of Shareholder	Details of Shares Held		Shares pledged or otherwise Encumbered			Details of warrants		Details of convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares Held	As a % of grand total (A) + (B) + (C)	No.	As a Percentage	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of warrants of the same class	
1	Nayan Jaswant Kumar Shah	1450000	21.40	0	0.0	0.00	0	0.00	0	0.00	-
2	Shrena Kalpesh Shah	9300	0.14	0	0.0	0.00	0	0.00	0	0.00	-
3	Yadvender Singh S Kanwar	8400	0.12	0	0.0	0.00	0	0.00	0	0.00	-
4	Shailesh Patel	6500	0.10	0	0.0	0.00	0	0.00	0	0.00	-
5	Purvi Ketan Shah	5800	0.08	0	0.0	0.00	0	0.00	0	0.00	-
	TOTAL	1480000	21.84	0	0.0	0.00	0	0.00	0	0.00	-

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

Sr. No.	Name of Shareholder	Number of shares	Shares as a percentage of total number of shares{i.e., Grand Total(A)+(B)+(C) indicated in Statement at para (l)(a) above}
1	Pershottambhai Hardasbhai Patel	165000	2.44
2	Manubhai Hardasbhai Patel	165000	2.44
3	Lilaben Parsottambhai Patel	117500	1.73
4	Kantaben Manubhai Patel	117500	1.73
5	Nareshbhai Batukbhai Thumar	140000	2.07
6	Alpeshbhai Batukbhai Thummar	140000	2.07
7	Rajeshbhai Manubhai Thummar	140000	2.07
8	Gaurang Manubhai Thumar	140000	2.07
9	Bhavin Parsottambhai Thumar	140000	2.07
10	Hardip Parshotambhai Thummar	140000	2.07
11	Dimpalben Bhadreshbhai Savaliya	117500	1.73
12	Tarla Rajendra Shah	200000	2.95
13	Hinal Rajendra Shah	200000	2.95
14	Sharad H Shah	120000	1.77
15	Hemant H. Jain	100000	1.48
16	Vikram H. Jain	100000	1.48
17	Chetna Nitin Vora	150000	2.21
18	Nitin Anantraai Vora	150000	2.21
19	Bhavna Ramesh Haria	100000	1.48
20	Kumar N.Shah HUF	100000	1.48
21	Praful N. Shah HUF	75000	1.11
22	Praful Nagindas Shah	75000	1.11
23.	Nayan Impex Pvt. Ltd.	100000	1.48
	TOTAL	2992500	44.17

(d) Statement showing details of locked-in shares

Sr. No.	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}
1	Nayan Jaswant Kumar Shah	13,55,020	20.00
2	Next Orbit Ventures Fund	5,00,000	7.38
	TOTAL	18,55,020	27.38

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

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

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

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

DESCRIPTION OF PROPERTY

Descriptions of Properties of Company are set forth below.

Registered Office:

We operate from our registered office situated at 301, Corporate Arena, Off Aarey Piralal X Road, Behind Mahindra Gardens, Goregaon (West), Mumbai - 400 062, which is a rented premise.

KEY INDUSTRY REGULATIONS AND POLICIES

The regulations and policies set out below are not 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 following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Industry Specific Regulations

Information Technology Act, 2000 (As Amended by Information Technology (Amended) Act, 2008

An Act to provide legal recognition for transactions carried out by means of electronic interchange and other means of electronic communication, commonly referred to as “Electronic Commerce”, which involve the use of alternative to paper-based methods of communication and storage of information to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the India Evidence Act, 1872, the Banker’s Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto.

Cyber Laws

Cyber law encompasses laws relating to -

- Cyber crimes
- Electronic and digital signatures
- Intellectual property
- Data protection and privacy

In India, cyber laws are contained in the Information Technology Act, 2000 (“IT Act”) which came into force on October 17, 2000. The main purpose of the Act is to provide legal recognition to electronic commerce and to facilitate filing of electronic records with the Government.

The following Act, Rules and Regulations are covered under cyber laws:

1. Information Technology Act, 2000
2. Information Technology (Certifying Authorities) Rules, 2000
3. Information Technology (Security Procedure) Rules, 2004
4. Information Technology (Certifying Authority) Regulations, 2001

Labour Laws

Shops and Establishment Act

Under various State laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and also has to comply with certain rules laid down in the act governing that particular State. These rules and regulations regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages and maintenance of records and registers by the employers, among others.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the

allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also require for the submission of Annual Return in the prescribed form (FORM D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

Criminal laws

Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

Business laws

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Indian Contract Act 1872

Indian Contract Act 1872 is the main source of law regulating contracts in Indian law, as subsequently amended. The Indian Contract Act 1872 sections 1-75 came into force on 1 September 1872. It applies to the whole of India except the state of Jammu and Kashmir. It is not a complete and exhaustive law on all types of contracts. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. As per the provisions of the Indian Contract Act all agreements are contracts if they are made by the free consent of the parties competent to

contract, for a lawful consideration and with a lawful object and are not expressly declared to be void. The parties to a contract must either perform or offer to perform their respective promises unless such performance is dispensed with or excused under the provisions of the Act or of any other law. Promises bind the representative of the promisers in case of death of such promisers before performance, unless a contrary intention appears from the contract. When a contract has been broken the party who suffers by such breach is entitled to receive from the party who has broken the contract, compensation for any loss or damage caused to him thereby, which naturally arose in the usual course of things from such breach or which the parties knew, when they made the contract, to be likely to result from the breach of it. Under the Act it is also provided that when a contract has been broken, if a sum is named in the contract as the amount to be paid in case of such breach, or if the contract contains any other stipulation by way of penalty, the party complaining of the breach is entitled, whether or not actual damage or loss is proved to have been caused thereby, to receive from the party who has broken the contract reasonable compensation not exceeding the amount so named or, as the case may be, the penalty stipulated for. Even a person who rightfully rescinds a contract is entitled to a compensation for any damage which he has sustained for a non-fulfillment of the contract. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

Tax Related Legislations

Income Tax Act, 1961

The Income Tax Act, 1961 (“IT Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. 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 30th September of each assessment year.

The Companies Act, 1956 & 2013

The Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. 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 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Consumer Protection Act, 1986

The Consumer Protection Act, 1986 (“COPRA”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

Intellectual Property Laws

Intellectual Property Rights

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the

Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the above domestic legislations India is a party to several international treaties related to intellectual property including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement).

Trade Marks Act, 1999

The Indian Law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing Legislation, a trademark is a mark used in relation to goods so as 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 word or invented word, signature, device, Letter, numeral, brand, heading, Label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. 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 ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

The Patents Act, 1970

The Patents Act, 1970 (“Patents Act”) is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programmes per se are not ‘inventions’ and are therefore not entitled to patent protection.

Property related laws

Registration Act, 1908

The Registration Act, 1908 (the “Registration Act”) details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

Indian Stamp Act, 1899

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Indian Stamp Act, 1899 (the “Stamp Act”) provides for

the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been 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 by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

SECTION II - RISK FACTORS

INTERNAL RISK FACTORS

1. The Registered Office of our Company are not owned by us.

We operate from our registered office situated at 301, Corporate Arena, Off Aarey Piralal X Road, Behind Mahindra Gardens, Goregaon (West), Mumbai - 400 062 which is a rented premise. Any discontinuance of rent agreement / facility will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

2. Our attempts to secure government projects may not always be successful. Our financial condition would be materially and adversely affected if we fail to obtain new contracts.

We currently provide our services to Government entity i.e. Securities and Exchange Board of India. As a part of our business, we seek for projects on an ongoing basis. Projects are awarded based upon certain prescribed pre-qualification criteria. We cannot assure you that we would bid even if we have met the pre-qualification criteria, we would be assigned that project. If we are not able to pre-qualify in our own right to bid for large projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for large projects, which could affect our growth plans.

3. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

Particulars	31.03.14	31.03.13
Net Cash flow from Operative activities	(9,77,017)	(6,25,899)
Net Cash Flow from investing activities	(3,02,437)	-
Net Cash Flow from Financing activities	22,01,381	6,25,000
Net Cash Flow for the Year	9,21,927	(899)

(Rs.)

4. If we are unable to retain the services of our Promoters, Our Management & Key Managerial Personnel, our business and our operating results could be adversely impacted.

Our Company, our Promoter and our Management have over a few years have built relations with designers, developers, customers and other persons who are connected with our business. Further, our Key Managerial Personal also possesses the requisite technical knowledge to provide efficient services to our customers. Accordingly, our Company's performance is dependent upon the services of our Promoter, our Management and other Key Managerial Personnel. Our future performance will, therefore, depend upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular, could result in a loss of domain and process. We are dependent on our Key Managerial Personnel for setting our strategic direction and managing our businesses. The loss of our promoters, our management and key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

5. The economic environment, pricing pressure and decreased employee utilisation rates have in the past, and may in the future, adversely impact spending on IT solutions in India and therefore our revenue and operating results.

Spending on technology products and services is subject to fluctuations depending on many factors, including the economic environment in India. Reductions in IT spending, increased credit risk and extended credit terms arising from or related to the global economic slowdown have in the past adversely impacted, and may in the future adversely impact, our revenue, gross profits, operating margins and results of operations. When economic conditions weaken, our customers tend to reduce or postpone their IT spending significantly which, in turn, lowers the demand for our IT solutions and adversely affects our revenue and profitability.

- 6. The IT solutions market is highly competitive and our competitors may have advantages that could allow them to compete more effectively than we do to secure customer contracts. Any failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.**

The IT solutions market in which we operate includes a large number of participants, and we have faced, and expect to continue to face, intense competition from providers of IT solutions both within and outside India. We believe that the principal competitive factors in our markets are breadth and depth of service offerings, reputation and track record, ability to tailor service offerings to customer needs, industry expertise, service quality, price, scalability of infrastructure, financial stability and sales and marketing skills. We are particularly subject to the risk of price competition by existing and new entrants in our focus verticals.

- 7. We may not be able to keep pace with the rapid changes in information technology, industry standards and customer preference, which may adversely impact our competitiveness.**

The IT solutions market is characterized by rapid technological changes, evolving industry standards, changing customer preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and develop new service offerings to meet customer needs. We may fail to anticipate or respond to advances in technology or changes in industry standards in a timely or cost-effective manner or, if we do respond, the solutions or technologies we develop may fail in the marketplace.

Furthermore, our competitors may respond faster than we do to changes in technology, industry standards and customer preferences. Moreover, solutions or technologies that are developed by our competitors may render our IT solutions less competitive or obsolete.

In addition, new technologies may be developed that allow our customers to perform the IT solutions that we provide more cost-effectively than we can, thereby reducing demand for our outsourced technology services. Any one or a combination of these circumstances could have a material adverse effect on our ability to obtain and successfully complete customer engagements and thereby have a material adverse effect on our competitiveness and adversely affect our business, financial condition and results of operations.

- 8. Our insurance coverage may be inadequate to fully protect us from all losses and claims to which we may be subject.**

We maintain set of insurance policies, which are renewable on expiry . These policies include insurance coverage for fixed assets etc. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limitations on risk coverage and claims. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to 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.

- 9. Our Company does not have any long term service contracts with our customers which may adversely affect our results of operations.**

Our Company does not have any long term commitments with our customers for supply of our services. As a result, we may be dependent on the recurring work orders received from time to time. There is no assurance

that our Company will continue to receive work orders for our services either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability.

10. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection.

11. Rise in Input Costs may affect profitability

The input costs of the services, which we provide may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

EXTERNAL RISK FACTORS

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

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

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

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

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

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

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

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

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

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

RISKS RELATING TO THE EQUITY SHARES

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

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders.

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

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

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

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

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

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's

fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

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

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

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

SECTION III - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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

Class / Type of Securities	Name and Address of Benefice Owner	Amount and nature of beneficial ownership	Percent
Equity Shares	Nil	N.A.	N.A.

SHAREHOLDERS AGREEMENTS

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

SECTION IV - OUR MANAGEMENT
BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has six (6) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Date of Assuming office in the Company	Status of Directorship in our Company
1.Mr. Nayan Jaswant Kumar Shah S/o Mr. Jaswant Kumar B-504, Shiv Darshan II, SVP Road, Kandivali - West Mumbai - 400 067 Occupation: Business Nationality: Indian Tenure: Retire by rotation DIN: 06857389	35yrs	31/03/2014	Promoter Non-Executive Non Independent Director
2.Mr. Yadvender Singh S Kanwar S/o Mr. Sukhpalsingh Kanwar 22/604 Phase 3 Golden Nest Complex, Mira Bhayander Road Mira Road, Thane- 401 107 Occupation: Business Nationality: Indian Tenure: Two years w.e.f. 1 st September, 2014 DIN: 02150704	39yrs	16/05/2008	Whole Time Director
3.Mr. Shailesh B Patel S/o Mr. Becharbhai Patel C-301, Lumbini Palace, Tejpal Road, Vile Parle- East, Mumbai - 400 057 Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 02150718	35Yrs	16/05/2008	Executive Director
4.Mr. Samir Gajjar S/o Mr. Babu bhai Gajjar E-401, Bhoomi Enclave, Mahavir Nagar, Kandivali - West, Mumbai - 400 067 Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 06663008	35Yrs	02/09/2014	Non Executive Independent Director
5. Mr. Sunil Satyanarayan Sharma S/o Mr. Satyanarayan Laxminarayan Sharma 2-2 M.H.No. 72, Nemani Building, N.S. Patkar Road, Mumbai - 400 007 Occupation: Business Nationality: Indian Tenure: Retire by rotation DIN: 01568825	46Yrs	02/09/2014	Non Executive Independent Director

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Date of Assuming office in the Company	Status of Directorship in our Company
6.Mr. Kiran Navinchandra Shukla S/o Mr. Navinchandra Shukla 52/3, Old Mahavir Bldg, Bhandarkar Road, Matunga, Mumbai - 400 019 Occupation: Business Nationality: Indian Tenure: Retire by rotation DIN: 01568997	44yrs	02/09/2014	Non Executive Independent Director

DETAILS OF DIRECTORS

- Mr. Nayan Jaswant Kumar Shah** aged 35 years, hold B.E. (Electronics) degree from Mumbai University; He is having 11 years of experience in IT industry. He has performed various roles as Test Manager, Project Manager, Production Support Lead & Onshore Test Lead Manager & as a software developer. He is technical expertise in Operating System, Languages, Tools, RDBMS Technologies.
- Mr. Yadvender Singh S Kanwar** aged 39 years, is a diploma holder in the software export field and has been in the IT industry from last 16 years, his main role is to devise plans for automation of business by developing and deploying various web applications.
- Mr. Shailesh B Patel** aged 35 years, is having more than 15 years of experience in admin and back office management. His core expertise is in Accounts, managing of accounts and keeping all finances in track is his forte.
- Mr. Samir Gajjar** aged 35 years is an independent Director of our Company. He is a fellow Chartered Accountant by qualification. He specializes in Corporate Valuations and Corporate Structuring. He has advised on various structuring assignments for reputed corporate houses. He also has experience in field of Direct Tax advisory, Direct Tax Compliance, FEMA, SEBI and other legal consultancy.
- Mr. Sunil Satyanarayan Sharma** aged 46 years, is an independent Director of our Company. He is a diploma holder. He is having more than 20 years of experience in finance and capital filed.
- Mr. Kiran Navinchandra Shukla** aged 44 years, is an independent Director of our Company. He is Bachelor in Commerce by qualification. He is having more than 15 years of experience in finance and capital filed.

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

None of directors are having family relations with each other.

TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

Name	Mr. Yadvender Singh S Kanwar
Designation	Whole-time Director
Period	Two years with effect from 1 st September, 2014
Remuneration	a) Remuneration Rs. 35,000/- p.m. (Rupees Thirty Five Thousand Only) b) Perquisites & Allowances <ul style="list-style-type: none"> • Perquisites & Allowances as per service rules of the Company, as applicable.
Remuneration paid in FY 31st March, 2014	Rs. Nil

Name	Mr. Shailesh B Patel
Designation	Executive Director
Period	Two years with effect from 1 st October, 2014
Remuneration	a) Remuneration Rs. 35,000/- p.m. (Rupees Thirty Five Thousand Only) b) Perquisites & Allowances <ul style="list-style-type: none"> • Perquisites & Allowances as per service rules of the Company, as applicable.
Remuneration paid in FY 31st March, 2014	Rs. Nil

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

NON - EXECUTIVE DIRECTORS

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

CORPORATE GOVERNANCE

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

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

Currently our Board has four (4) Directors. We have one (1) executive non independent director, one (1) non executive non independent director and two (2) independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 42 of the Listing Agreement.

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

- A) Audit Committee
- B) Stakeholders Relationship Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 3rd September, 2014.

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

S.No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Samir Gajjar	Chairman	Independent Director
2.	Mr. Sunil Satyanarayan Sharma	Member	Independent Director
3.	Mr. Yadvender Singh S Kanwar	Member	Executive Non Independent Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
1. To seek information from any employee.
2. To obtain outside legal or other professional advice.
3. To secure attendance of outsiders with relevant expertise, if it considers necessary.
4. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
5. 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.
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
7. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
9. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
11. 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.
12. Discussion with internal auditors any significant findings and follow up there on.
13. 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.
14. 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.
15. 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.
16. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
17. 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.
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
19. Mandatorily reviews 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
20. Reviewing the Financial Statements of its subsidiary company, if any.
 21. Reviewing the composition of the Board of Directors of its Subsidiary Company, if any.
 22. Reviewing the Vigil mechanism (whistle blowing) policy.
 23. Reviewing the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a stakeholders relationship committee ("*Stakeholders Relationship Committee*") to redress the complaints of the shareholders. The Stakeholder Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 16th May, 2014. The committee currently comprises of three (3) Directors. Mr. Sunil Satyanarayan Sharma is the Chairman of the Stakeholders relationship committee.

S. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Sunil Satyanarayan Sharma	Chairman	Independent Director
2.	Mr. Samir Gajjar	Member	Independent Director
3.	Mr. Nayan Jaswant Kumar Shah	Member	Non Executive Non Independent Director

Role of Stakeholders relationship committee

The Stakeholders relationship committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

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

Name of Director	Number of Equity Shares	% of Paid up Share Capital
Mr. Nayan Jaswant Kumar Shah	1450000	21.40
Mr. Yadvender Singh S Kanwar	8400	0.12
Mr. Shailesh B Patel	6500	0.10
Total	1464900	21.62

CONFIRMATIONS

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

SCTION V - OUR PROMOTERS


OUR PROMOTERS

The Promoter of our Company is:

1. Mr. Nayan Jaswant Kumar Shah
2. Mrs. Shrena Kalpesh Shah

DETAILS OF OUR PROMOTERS ARE AS UNDER


1. Mr. Nayan Jaswant Kumar Shah

	<p>Mr. Nayan Jaswant Kumar Shah, aged 35 years, hold B.E. (Electronics) degree from Mumbai University, he is having 11 years of experience in IT industry. He has performed various roles as Test Manager, Project Manager, Production Support Lead & Onshore Test Lead Manager & as a software developer. He is technical expertise in Operating System, Languages, Tools, RDBMS Technologies. He joined our Company as the Director on 31st March, 2014.</p>
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Identification

Name	Mr. Nayan Jaswant Kumar Shah
Permanent Account Number	AXCPS8208B
Passport No.	H4192482
Voter ID	NA
Driving License	MH02 20070003948
Bank Account Details	ICICI BANK LIMITED A/C NO: 001801026489 (INR)

2. Mrs. Shrena Kalpesh Shah

	<p>Mrs. Shrena Kalpesh Shah, aged 37 years, She is Bachelor in Commerce by qualification. She is Co-founder of Web Element Solutions Limited. She has vast experience in business administration.</p>
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Identification

Name	Mrs. Shrena Kalpesh Shah
Permanent Account Number	AQOPS3653H
Passport No.	F5562033
Voter ID	KNF1152644
Driving License	60821
Bank Account Details	AXIS BANK LIMITED GOREGAON BRANCH A/C NO:914010014141268

SECTION VI - RELATED PARTY TRANSACTIONS

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

I. List of Related Parties

31.03.2014	31.03.2013	31.03.2012
Party Where Control Exists		
Nayan Jaswant Kumar Shah	Nayan Jaswant Kumar Shah	Nayan Jaswant Kumar Shah
Shrena Kalpesh Shah	Shrena Kalpesh Shah	Shrena Kalpesh Shah
Parties Where Transaction have taken place		
Promoters		
-	-	-
Group Companies / Firm		
Web Element Inc.	-	-
Key Managerial Persons		
Kalpesh K. Shah	-	-
Shailesh B. Patel		
Kanwar Y. Singh		
Relatives of Key Managerial Persons		
Aarti K. Shah	-	-
Ketan K. Shah		
Kirti R. Shah		

II. Details of Transactions with Related party:

Fiscal 2013-2014

Nature of Transaction	Key Management Personnel and their relatives	Partnership Firm in which co. is partner
Loans & Advances Taken	38,50,000	-
Loans & Advances Repaid	22,50,000	6,80,000

SECTION VII: OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Companies.

I. LITIGATION INVOLVING OUR COMPANY

Nil

II. LITIGATION INVOLVING OUR GROUP COMPANY***Cases by/against***

Civil Cases

Nil

Consumer Cases

Nil

III. LITIGATION INVOLVING OUR PROMOTER

Nil

IV. LITIGATIONS INVOLVING OUR DIRECTORS

Nil

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Information Memorandum, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

SECTION VIII

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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

I. MATERIAL CONTRACTS -

1. Agreement dated 25th July, 2014 entered into between our Company and Purva Shareregistry (India) Private Limited, Registrar and Share Transfer Agent of the Company.
2. Tripartite agreement dated 3rd March, 2014 entered into between our Company, CDSL and Registrar and Share Transfer Agent of the Company.
3. Tripartite agreement dated 6th May, 2014 entered into between our Company, NSDL and Registrar and Share Transfer Agent of the Company.

II. MATERIAL DOCUMENTS -

1. Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation dated 16th May, 2008 issued to our Company in the name of Web Element Solutions Private Limited, by the Registrar of Companies, Mumbai, Maharashtra.
3. Fresh certificate of incorporation dated 5th August 2014 issued to our Company in the name of Web Element Solutions Limited, by the Registrar of Companies, Mumbai, Maharashtra.
4. Resolution passed by the Board of directors of our Company at Meeting held on 2nd September, 2014 appointing Mr. Yadvender Singh S Kanwar as Whole Time Director of the Company.
5. Resolution passed by the Board of directors of our Company at Meeting held on 1st October, 2014 appointing Mr. Shailesh B Patel as Executive Director of the Company.
6. Resolution passed at the meeting of the Board of Directors held on 3rd September 2014 constituting various Committees of the Board.
7. Audited Annual Reports including audited Balance Sheets and Profit & Loss Accounts of the Company for the year ended 31st March, 2012, 31st March, 2013 and 31st March, 2014.

SECTION IX
DECLARATION

All 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 issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) the Securities and Exchange Board of India Act, 1992 or the rules made there under or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

SIGNED BY ALL THE DIRECTORS

Name	Designation	Signature
Mr. Nayan Jaswant Kumar Shah DIN : 06857389	Non Executive Non Independent Director	
Mr. Yadvender Singh S Kanwar DIN: 02150704	Whole Time Director	
Mr. Shailesh B Patel DIN: 02150718	Executive Director	
Mr. Samir Gajjar DIN: 06653008	Non Executive Independent Director	
Mr. Sunil Satyanarayan Sharma DIN: 01568825	Non Executive Independent Director	
Mr. Kirankumar Navinchandra Shukla DIN: 01568997	Non Executive Independent Director	

SIGNED BY THE COMPANY SECRETARY

Ms. Sneha Nagori

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Arvind Thaker

Date: 18th October 2014

Place: Mumbai