



### ARTEMIS ELECTRICALS LIMITED

Our Company was originally incorporated as “Artemis Electricals Private Limited” as a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated October 26, 2009 bearing Corporate Identification Number U51505MH2009PTC196683 issued by Registrar of Companies, Mumbai, Maharashtra. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on July 25, 2015 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Mumbai, Maharashtra dated August 27, 2015 and name of our Company was changed to “Artemis Electricals Limited”. The Corporate Identification Number is U51505MH2009PLC196683. For details of incorporation, change of name and registered office of our Company, please refer to the chapter titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on page 55 and 156 respectively of this Draft Red Herring Prospectus.

**Registered Office:** Artemis Complex, Gala No.105 & 108, National Express Highway, Vasai (East), Thane- 401208, Maharashtra, India. **Tel No:** 022-29275032

**Email:** contact@artemiselectricals.com | **Website:** [www.artemiselectricals.com](http://www.artemiselectricals.com) | **Contact Person:** Alheena Khan, Company Secretary & Compliance Officer

### OUR PROMOTERS: PRAVIN AGARWAL & M/S YASHVIKRAM INFRASTRUCTURE PRIVATE LIMITED

#### THE ISSUE

INITIAL PUBLIC ISSUE OF UP TO 70,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH (“EQUITY SHARES”) OF ARTEMIS ELECTRICALS LIMITED (“THE COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (THE “ISSUE PRICE”), (INCLUDING A PREMIUM OF RS [•] PER EQUITY SHARE), AGGREGATING RS. [•] LAKHS (“THE ISSUE”), OF WHICH [•] EQUITY SHARES OF FACE VALUE OF RS. 10.00/- FOR CASH AT A PRICE OF RS. [•] EACH AGGREGATING RS. [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [•] EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE, AGGREGATING TO RS. [•] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] AND [•] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL INDIA EDITIONS (WIDELY CIRCULATED) OF ENGLISH NATIONAL DAILY NEWSPAPER [•], ALL INDIA EDITIONS OF (WIDELY CIRCULATED) HINDI NATIONAL DAILY NEWSPAPER [•] AND [•] EDITIONS OF THE REGIONAL NEWSPAPER (WIDELY CIRCULATED), WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE BOMBAY STOCK EXCHANGE OF INDIA LIMITED (“BSE”, OR THE “STOCK EXCHANGE”) FOR THE PURPOSES OF UPLOADING ON IT’S WEBSITES. THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.

#### THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS [•] TIMES OF THE FACE VALUE

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE “SEBI (ICDR) REGULATIONS”), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS IS BOOK BUILT ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “ISSUE PROCEDURE” BEGINNING ON PAGE 276 OF THIS DRAFT RED HERRING PROSPECTUS.

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional working days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs, and at the terminals of the members of the Syndicate.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 287 of this Draft Red Herring Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs. 10.00 and the Issue price of Rs. [•] per Equity Share is [•] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Manager as stated in the chapter titled ‘Basis for Issue Price’ beginning on page 87 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Company and this issue, including the risks involved. The Equity Shares offered in the issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 25 of this Draft Red Herring Prospectus.

#### COMPANY’S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of Bombay Stock Exchange of India Limited (“BSE SME”). Our Company has received an approval letter dated [•] from Bombay Stock Exchange of India Limited for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE.

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE



**FEDEX SECURITIES PRIVATE LIMITED**  
305, Enterprise Centre, Nehru Road, Vile Parle (East),  
Mumbai 400099, Maharashtra, India.  
**Tel No.:** +9181049 85249  
**Fax No.:** 022 2618 6966  
**E-mail:** [mb@fedsec.in](mailto:mb@fedsec.in)  
**Website:** [www.fedsec.in](http://www.fedsec.in)  
**Contact Person:** Rinkesh Saraiya  
**SEBI Registration Number:** INM000010163  
**Investor Grievance E-mail:** [mb@fedsec.in](mailto:mb@fedsec.in)

#### REGISTRAR TO THE ISSUE



**CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building No. 1 Club House Road, Chennai -  
600002, Tamil Nadu, India.  
**Tel No.:** +91 44 28460390/1989  
**Fax No.:** +91 44 28460129  
**E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
**Website:** [www.cameoindia.com](http://www.cameoindia.com)  
**Contact Person:** Mr. R.D. Ramasamy  
**SEBI Registration No.:** INR000003753  
**Investor Grievance E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

ISSUE OPENS ON

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ISSUE CLOSES ON

[•]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Possible Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Key Industry Regulations” and titled “Main Provisions of Articles of Association” beginning on pages 90, 182, 227 and 144, respectively, shall have the meanings ascribed to such terms in the respective sections.*

#### General Terms

Term	Description
“Artemis Electricals Limited”/ “AEL”/ “Artemis”/ “the Company” / “the Issuer”/ “We”/ “our” / “Us” / “our Company”	Unless the context otherwise indicates or implies, refers to Artemis Electricals Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at. Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India.
Promoter(s) / Core Promoter(s)	The Promoters of our Company are 1) Pravin Kumar Agarwal; and 2) M/s Yashvikram Infrastructure Private Limited.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled “Our Promoter and Promoter Group” beginning on page 175 of this Draft Red Herring Prospectus

#### Company Related Terms

Term	Description
Articles/ Articles of Association / AOA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in “Our Management” beginning on page 160 of this Draft Red Herring Prospectus
Board/ Board of Directors	The Board of Directors of our Company, as duly constituted from time to time including any committees thereof, as the context may refer to
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Alheena Khan
CIN	Corporate Identification Number of our Company U51505MH2009PLC196683
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Shivkumar Singh
Corporate Office	The Corporate Office is located Office 201A, A wing, 2nd floor, Fortune 2000, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra, India
CSR Committee	The committee of the Board of Directors constituted as the Company’s CSR Committee in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder.

Term	Description
Director(s)	Director(s) on the Board, unless otherwise specified
Equity Share(s)	Equity Shares of our Company having face value of Rs. 10 each, fully paid up, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ entities holding Equity Shares of our Company
Group Companies	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in <i>"Information with respect to Group Companies"</i> beginning on page 239 of this Draft Red Herring Prospectus
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled <i>"Our Management"</i> beginning on page 160 of this Draft Red Herring Prospectus
ISIN	International Securities identification Number
KMPs/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(bb) of SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and individuals described in the chapter titled <i>"Our Management"</i> beginning on page 160 of this Draft Red Herring Prospectus.
MoA / Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board described in the chapter titled <i>"Our Management"</i> beginning on page 160 of this Draft Red Herring Prospectus.
Peer Reviewed Auditor	Our Peer Reviewed Auditors, M/s. Mittal Agarwal & Co, Chartered Accountants (Firm Registration No. 131025W)
Registered Office	Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India.
Statutory Auditors	Our Statutory Auditors, M/s. Mittal Agarwal & Co, Chartered Accountants (Firm Registration No. 131025W)
Subsidiaries	The Subsidiaries of our Company as disclose in <i>"Our History and Certain Corporate, Matters - Our Subsidiaries"</i> from page 156 of this Draft Red Herring Prospectus
Specified Security	Specified Security mean Equity Shares
Stakeholders Relationship Committee	The Stake Holders Relationship Committee of our Board

#### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	The successful Bidder to whom the Equity Shares are being / have been allotted
Allotment Advice	Note, advice or intimation of Allotment sent to the Bidder who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange

Term	Description
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
Application Lot	[•] Equity Shares
Application Amount	The value indicated in the Application Form and payable by the Bidder/blocked in the ASBA Account on submission of an Application Form in the Issue
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors
Bankers to the Company	The Federal Bank Limited
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s) and Public Issue Account Bank(s)
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 276 of this Draft Red Herring Prospectus
Bid	An Indication to make an application during Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Broker centres notified by BSE where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE
Book Building Process/ Book Building Method	The book building route as provided under Schedule XIII of the SEBI (ICDR) Regulations in terms of which this Issue is being made.
Book Running Lead Managers or BRLM	The book running lead managers to the Issue namely, Fedex Securities Private Limited.
Bid / Issue Closing Date	The date on which the Issue closes for subscription.
Bid / Issue Opening Date	The date on which the Issue opens for subscription.
Bid / Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of bidders. Our Company, in consultation with the BRLM, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.

Term	Description
CAN / Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number of the Bidder's beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and SME Platform of Bombay Stock Exchange of India Limited and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalised by our Company in consultation with the BRLM, Only Retail
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange
Depositories	NSDL and CDSL or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Prospectus	The Prospectus dated [●] issued in accordance with Section 32 of the Companies Act and filed with SME Platform of National Stock Exchange of India Limited under SEBI ICDR Regulations
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account following which the Board of Directors shall Allot the Equity Shares to successful Bidders in the Issue
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Bidders, in relation to the Offer
Designated Stock Exchange	SME Platform of BSE Limited
Designated CDP Locations	Such centers of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of Bombay Stock Exchange of India Limited
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names



Term	Description
	and contact details of the RTAs are available on the Bombay Stock Exchange of India Limited
Designated Market Maker	[•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated March 02, 2019 filed with SME Platform of Bombay Stock Exchange of India Limited, prepared and issued by our Company in accordance with SEBI ICDR Regulations.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Escrow Agreement namely [•]
Escrow Agreement	An agreement to be entered among our Company the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s), the BRLM and the Syndicate Members for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [•]
First Bidder	Bidder whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
FII / Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI FII Regulations registered with SEBI under applicable laws in India
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI, suitably modified and included in the chapter titled "Issue Procedure" beginning on page 276 of this Draft Red Herring Prospectus
Issue Proceeds	The proceeds from the Issue available to the Company
Issue / Issue Size / Public Issue / IPO / Offer	Initial Public Issue of up to 70,00,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [•] per equity share (including a premium of Rs. [•] per equity share) aggregating to Rs. [•] Lakhs by our Company (subject to Pre-IPO Placement)
Issue Price	Rs. [•] per Equity Share

Term	Description
Issue Agreement	The agreement dated [•] between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of Bombay Stock Exchange of India Limited
Market Making Agreement	The Market Making Agreement dated [•] between our Company, Book Running Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of [•] Equity Shares of face value of Rs. 10 each fully paid-up for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] Lakhs for the Market Maker in this Issue
MSE	Micro and small enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [•] Equity Shares of face value Rs. 10 each fully paid-up of our Company for cash at a price of Rs. [•] per Equity Share (the Issue Price) aggregating up to Rs. [•] Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled “Objects of the Issue” beginning on page 79 of this Draft Red Herring Prospectus
Non-Institutional Bidders / NIB	All Bidders (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than Rs. 2,00,000
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Non-Syndicate Broker Centre	Refer SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 consequent to which stock exchanges have uploaded the Non-Syndicate Broker Centres on their respective websites, where the Application Forms can be submitted
Non-Syndicate Stock Broker	A stock broker registered as a member of NSE who has not entered into a sub-Syndicate Agreement with the Syndicate Member and is not a part of the Syndicate
Non-Syndicate Stock Broker Mechanism	The process of investors applying through Non-Syndicate Stock Broker at a Non-Syndicate Broker Centre pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require
Pricing Date	The date on which the Issue Price is categorized by our Company in consultation with the BRLM pursuant to the Book Price Issue
Public Issue Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
Qualified Foreign Investors / QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of SEBI ICDR Regulations, which will



Term	Description
	not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on NSE and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated [•], entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/Registrar	Registrar to the Issue being Cameo Corporate Services Limited
Retail Individual Bidders/RIBs/ Retail Individual Investors/ RIIs	Individual Bidders (including HUFs applying through their karta and Eligible NRIs), submitting Application Forms, who have applied for Equity Shares for an amount not more than Rs. 200,000 in any of the application options in the Net Issue
Revision Form	The form used by the Bidders, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date
Prospectus	The Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto
SEBI (Alternative Investment Funds) Regulations/SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SME	Small and medium sized enterprises
Self-Certified Syndicate Bank(s) / SCSBs	A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI ( <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=35</a> )
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Bidder, as proof of registration of the Application Form
Underwriters	[•]
Underwriting Agreement	The Agreement dated [•] entered between the Underwriter and our Company, on or after the pricing date, but prior to filing the Prospectus with the RoC
U.S Securities Act	U.S Securities Act of 1933, as amended

Term	Description
Working Days	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

### Conventional, General and Industry Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by ICAI as notified under the Companies (Accounts) Rules, 2014
APAC	Asia-Pacific
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRC	British Retail Consortium
Bn.	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CCPS	Compulsorily Convertible Preference Shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder as may be amended from time to time
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act) along with the relevant rules made thereunder
Cr.	Crore
CSR	Corporate Social Responsibility
CSO	Central Statistics Organization
CY	Calendar Year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
EGM/ EOGMs	Extraordinary General Meeting
EPS	Earnings Per Share
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EMEA	Europe, Middle East, and Africa
EPFO	Employees' Provident Fund Organization
ESIC	Employee State Insurance Corporation
FBP	Foreign Bill Purchase
FC	Foreign Currency
FCNR Account/ FCNR	Foreign currency non-resident account

Term	Description
FDI	Foreign Direct Investment
FD	Fixed Deposit
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FFS	Form Filled Sealed
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce & Industry
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 (twelve) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry
FVCI	Foreign venture capital investors as defined and registered under SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register under IT Act
GMP	General Manufacturing Practice
GoI or Government	Government of India
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
IEC	Import Export Code
IFRS	International Financial Reporting Standards
IIA	India Industries Association
IMF	International Monetary Fund
Rs. / Rupees / INR	Indian Rupees
Indian GAAP	Generally Accepted Accounting Principles in India
INCOTERMS	International Commercial Terms
IST	Indian Standard Time
IT Act	The Income Tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometers
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds based lending rate
M&E	Media and Entertainment
MICR	Magnetic Ink Character Recognition
MPVD	Multi-Channel Video Programming Distributor
MNCs	Multi-National Companies
Mn	Million
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MT	Metric Tonnes
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding

Term	Description
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
OTT	Over the tap media services
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Term	Description
Sq. metres	Square Metres
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number under provisions of applicable VAT Laws
TPA	Tonnes Per Annum
UK	United Kingdom
U.S. / USA / United States	United States of America
USD / US\$	United States Dollars
UV	Ultraviolet
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCDL	Working Capital Demand Loan
WCTL	Working Capital Term Loan
WEO	World Economic Outlook
Wilful defaulter	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person who or which is categorised as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on wilful defaulter issued by the RBI.
YoY	Year on year

## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- any disruption in production at, or shutdown of, our manufacturing facility;
- success of product development process and our ability to conceptualise new products;
- grant of product approvals from respective regulatory authorities
- renew and maintain statutory and regulatory permits;
- dependency on our key customers and key suppliers;
- competition from international and domestic companies;
- fluctuations in foreign exchange rates;
- changes in the legal, regulatory, economic and political environment in India;
- general economic and business conditions in India and other countries;

For further discussion on factors that could cause actual results to differ from expectations, please refer to section titled “*Risk Factors*”, and chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 25, 124 and 218 of this Draft Red Herring Prospectus respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Book Running Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to



reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI ICDR Regulations, our Company and the Book Running Lead Manager will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the SME Platform of BSE Limited for this Issue.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

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

### Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the Financial Statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus, as amended” issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the section titled “*Financial Statements*” beginning on page 182 this Draft Red Herring Prospectus. Our Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and have been restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus, as amended” issued by ICAI. Our Fiscal commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular Fiscal are to the twelve (12) months period ended March 31<sup>st</sup> of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in section titled “*Risk Factors*”, and chapters titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus, as amended” issued by ICAI as stated in the report of our Statutory and Peer Reviewed Auditor, set out in the section titled “*Financial Statements*” beginning on page 182 of this Draft Red Herring Prospectus.

### Currency and Units of Presentation

All references to:

- “Rupees” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “Lakhs” units. One Lakh represents 1,00,000.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.

## **Industry and Market Data**

Unless stated otherwise, industry and market data and various forecasts used throughout this Draft Red Herring Prospectus have been obtained from publicly available information, industry sources and government publications. Industry sources as well as government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. We believe the industry and market data used in this Draft Red Herring Prospectus is reliable, however, it has not been independently verified by our Company or the Book Running Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. In accordance with SEBI ICDR Regulations, the chapter titled "*Basis for Issue Price*" beginning on page 87 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Manager have independently verified such information.

## SUMMARY OF OFFER DOCUMENT

### SUMMARY OF BUSINESS

Our Company since incorporation is into the business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. We are dependent on third party for manufacturing of LED bulbs. Our Company manufactures and trades indoor and outdoor LED luminaries such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights, Down lights, Garden lights, pavement / walk through indication lights, etc. The application of our products is in spaces like general lighting, architectural, residential, office, industrial, shop, hospitality, and outdoor. Our Product basket consist of solutions across the LED luminary spectrum i.e. LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our Company is an ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certified Company

### SUMMARY OF INDUSTRY

India, being the second most populous country in the world and fifth major electricity consumer, has been experiencing an ever-widening demand-supply gap in electricity. Consequently, the market for energy-efficient products such as LED lights is bound to grow. All the survey participants felt that the moderately-growing lighting industry will now move at a faster pace, as the government is encouraging the use of LED lights in a big way. Other drivers are the Smart Cities project, and the increasing demand for a smart, connected lifestyle and energy-efficiency measures. According to a report by TechSci (a global research-based consulting firm), the LED lighting market in India is projected to register a CAGR of over 30 per cent during 2016-2021. The Electric Lamp and Component Manufacturers Association of India (ELCOMA) shares that the LED market in India is expected to grow to ₹ 216 billion by 2020. This leap will result in the LED market accounting for about 60 per cent of India’s total lighting industry (approximately ₹ 376 billion) in 2020. The key factors that are expected to boost the market include falling LED prices coupled with favorable government initiatives that provide LED lights at a subsidized cost and promote LED street lighting projects.

### PROMOTERS

The Promoters of our Company are Pravin Agarwal and M/s Yashvikram Infrastructure Private Limited

### ISSUE SIZE

The Issue size comprises of issuance of up to 70,00,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 31, 2018 and approved by the shareholders of our Company vide a special resolution at the EGM held on February 07, 2019 pursuant to section 62(1)(c) of the Companies Act.

### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (*“Objects of the Issue”*):

(₹ in Lakhs)		
Sr No	Particulars	Estimated Amount
1.	Long Term working capital requirements	[●]
2.	Purchase of Machinery/Equipment	508.27
3.	General corporate purposes**	[●]
	<b>Total</b>	<b>[●]</b>

*\*to be finalized upon determination of issue price*

*\*\*the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue*

## PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Sr. No.	Name of the Shareholder	Pre – Issue	
		No. of shares	% of pre-Issue capital
	<b>Promoter</b>		
1.	Yashvikram Infrastructure Private Limited	43,06,500	32.35%
2.	Pravin Agarwal	17,08,125	12.83%
	<b>Total (A)</b>	<b>60,14,625</b>	<b>45.18%</b>
	<b>Promoter Group</b>		
3.	Sudhir Agarwal	30	0.00%
4.	Jyotsna Agarwal	4,15,800	3.12%
5.	Alok Kumar Agarwal	30	0.00%
6.	Ayesspea Holdings & Investment Pvt. Ltd	17,22,687	12.94%
7.	Garuda Aviation Services Pvt. Ltd	40,38,120	30.34%
	<b>Total (B)</b>	<b>61,76,667</b>	<b>46.40%</b>
	<b>Grand Total (A+B)</b>	<b>1,21,91,292</b>	<b>91.58%</b>

## SUMMARY OF FINANCIAL INFORMATION

(₹ in Lakhs)

Particulars	Six Months ended September 30, 2018	For the year ended		
		2018	2017	2016
Share Capital	1,331.10	443.70	443.70	443.70
Networth	2,331.83	1,797.37	844.47	667.43
Revenue (total income)	5,065.25	8,951.31	4,723.87	4,533.87
Profit after Tax	534.47	952.90	177.04	154.76
Earnings per share				
Pre-Bonus	19.88	35.44	6.58	6.31
Post Bonus	4.02	7.16	1.33	1.84
Net Asset Value per Equity Share (in ₹) Pre Bonus	86.71	66.84	31.40	24.82
Net Asset Value per Equity Share (in ₹) Post Bonus	17.52	40.51	19.03	15.04
Total borrowings				
Long Term Borrowings	660.50	1,076.28	42.22	34.93
Short Term Borrowings	200.00	151.28	Nil	Nil

## QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.) <sup>(1)</sup>
<b>Proceedings against our Company</b>		
Civil	1	Not ascertainable
Criminal	Nil	Nil

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.) <sup>(1)</sup>
Tax	6	50,34,918.72.
<b>Proceedings by our Company</b>		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
<b>Proceedings against our Promoters</b>		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	11	93,44,631
<b>Proceedings by our Promoters</b>		
Civil	1	Not ascertainable
Criminal	1	Not ascertainable
Tax	Nil	NIL
<b>Proceedings against our Directors other than our Promoters</b>		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	2	1,59,220
<b>Proceedings by our Directors</b>		
Civil	1	Not ascertainable
Criminal	1	Not ascertainable
Tax	Nil	Nil
<b>Proceedings against our Group Companies</b>		
Civil	6	Not ascertainable
Criminal	1	Not ascertainable
<b>Proceedings by our Group Companies</b>		
Civil	27	Not ascertainable
Criminal	1	Not ascertainable

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 227 of this Draft Red Herring Prospectus.

#### **RISK FACTORS**

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus.

#### **SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

The Company does not have any contingent Liabilities as on the date of this Draft Red Herring Prospectus.



## SUMMARY OF RELATED PARTY TRANSACTIONS

### i. Transactions during the year with related parties:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>1.</b>	<b>Sale of Goods (Net of Returns)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	0.48	-	-	-
	Enterprise over which KMP are able to exercise influential control	3,572.09	13.88	10.83	95.89
	<b>Total</b>	<b>3,572.57</b>	<b>13.88</b>	<b>10.83</b>	<b>95.89</b>
<b>2.</b>	<b>Purchase of Goods (Net of Returns)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	3,484.58	36.22	18.86	33.31
	<b>Total</b>	<b>3,484.58</b>	<b>36.22</b>	<b>18.86</b>	<b>33.31</b>
<b>3.</b>	<b>Net Loans and Advances taken / (repaid)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-378.78	393.85	-	128.00
	<b>Total</b>	<b>-378.78</b>	<b>393.85</b>	<b>-</b>	<b>128.00</b>
<b>4.</b>	<b>Other Sundry Expenses</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	62.33	124.03	11.62	-
	<b>Total</b>	<b>62.33</b>	<b>124.03</b>	<b>11.62</b>	<b>-</b>
<b>5.</b>	<b>Professional Fees (Including Taxes)</b>				
	Key Managerial Personnel	-	-	29.91	56.77
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>29.91</b>	<b>56.77</b>
<b>6.</b>	<b>Managerial Remuneration</b>				
	Key Managerial Personnel	16.10	37.23	16.90	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-	-	-
	<b>Total</b>	<b>16.10</b>	<b>37.23</b>	<b>16.90</b>	<b>-</b>
<b>7.</b>	<b>Net Loans and Advances given / (returned)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	5.06	-27.00	13.30	12.57
	<b>Total</b>	<b>5.06</b>	<b>-27.00</b>	<b>13.30</b>	<b>12.57</b>

Sr. No.	Nature of Transactions	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>8.</b>	<b>Issue of Equity Shares (Including Premium)</b>				
	Key Managerial Personnel	-	-	-	31.50
	Relatives of KMP	-	-	-	58.50
	Enterprise over which KMP are able to exercise influential control	-	-	-	180.00
	<b>Total</b>	-	-	-	<b>270.00</b>
<b>9.</b>	<b>Issue of Bonus Shares</b>				
	Key Managerial Personnel	-	-	-	12.71
	Relatives of KMP	-	-	-	17.75
	Enterprise over which KMP are able to exercise influential control	-	-	-	140.60
	<b>Total</b>	-	-	-	<b>171.05</b>
<b>10.</b>	<b>Advance for expenses</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	27.08	-	-	-
	<b>Total</b>	<b>27.08</b>	-	-	-
<b>11.</b>	<b>Advance to supplier (net of adjusted during the year)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	31.96	-0.06	-
	<b>Total</b>	-	<b>31.96</b>	<b>-0.06</b>	-
<b>12.</b>	<b>Advance from customer</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	8.68	-	-	-
	<b>Total</b>	<b>8.68</b>	-	-	-
<b>13.</b>	<b>Security Deposit</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-47.00	35.00	142.00
	<b>Total</b>	-	<b>-47.00</b>	<b>35.00</b>	<b>142.00</b>

ii. Closing balance with related parties:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	As at			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>14.</b>	<b>Trade Receivables</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	0.48	-	-	-

Sr. No.	Nature of Transactions	As at			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
	Enterprise over which KMP are able to exercise influential control	171.89	51.33	62.97	95.99
	<b>Total</b>	<b>172.37</b>	<b>51.33</b>	<b>62.97</b>	<b>95.99</b>
<b>15.</b>	<b>Advance to suppliers</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	0.21	32.16	0.21	0.21
	<b>Total</b>	<b>0.21</b>	<b>32.16</b>	<b>0.21</b>	<b>0.21</b>
<b>16.</b>	<b>Trade and other payables</b>				
	Key Managerial Personnel	-	-	-	2.46
	Relatives of KMP	2.14	-	3.38	3.38
	Enterprise over which KMP are able to exercise influential control	94.74	57.03	4.72	6.38
	<b>Total</b>	<b>96.88</b>	<b>57.03</b>	<b>8.09</b>	<b>12.21</b>
<b>17.</b>	<b>Long-term borrowings</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	50.00	428.78	34.93	34.93
	<b>Total</b>	<b>50.00</b>	<b>428.78</b>	<b>34.93</b>	<b>34.93</b>
<b>18.</b>	<b>Advance for expenses</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	27.08	-	-	-
	<b>Total</b>	<b>27.08</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.</b>	<b>Long-term loans and advances</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	42.52	141.00	168.00	154.70
	<b>Total</b>	<b>42.52</b>	<b>141.00</b>	<b>168.00</b>	<b>154.70</b>
<b>20.</b>	<b>Advance from customers</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	9.25	-	-	-
	<b>Total</b>	<b>9.25</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>21.</b>	<b>Security Deposit</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	130.00	130.00	177.00	142.00
	<b>Total</b>	<b>130.00</b>	<b>130.00</b>	<b>177.00</b>	<b>142.00</b>

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus

## WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price at which the equity shares were acquired by each of our Promoters in the one year preceding the date of this Draft Red Herring Prospectus

Name	No of Shares Acquired	Weighted Average Cost of Acquisition per Equity Share (in ₹)*
Pravin Agarwal	1,138,750	Nil
Yashvikram Infrastructure Private Limited	28,71,000	Nil

Since the number of Equity Shares acquired by each of our promoters in the last one (1) year preceding the date of this Draft Red Herring Prospectus is for consideration other than cash, the weighted average price of equity share is Nil

## AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name	Average Cost of Acquisition per Equity Share (in ₹)
Pravin Agarwal	1.54
Yashvikram Infrastructure Private Limited	1.88

## DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

## ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except as set out below, our Company has not issued Equity Shares for consideration other than cash in last one year:

Date of allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Reason / Nature of allotment	Benefit accrued to our Company	Persons to whom allotment were made
June 26, 2013	10,00,000	10	N/A	Conversion of Unsecured Loan	Nil	<ul style="list-style-type: none"><li>Seashell Ventures Pvt Ltd</li></ul>
January 15, 2016	17,47,915	10	N/A	Bonus Shares	Nil	<ul style="list-style-type: none"><li>Shalini Agarwal,</li><li>Sudhir Agarwal,</li><li>Jyotsna Agarwal,</li><li>Yashvikram Infrastructure Pvt Ltd,</li><li>Ayesspea Holdings &amp; Investment Pvt Ltd,</li></ul>

Date of allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Reason / Nature of allotment	Benefit accrued to our Company	Persons to whom allotment were made
						<ul style="list-style-type: none"> <li>• Alok Agarwal,</li> <li>• Pravin Agarwal,</li> <li>• Priti Agarwal,</li> <li>• Chandrahas Shetty,</li> <li>• Vinod Rao,</li> <li>• BhuddhaDev Kar,</li> <li>• Pankaj Gupta</li> </ul>
June 26, 2018	88,74,030	10	NA	Bonus Shares	Nil	<ul style="list-style-type: none"> <li>• Shalini Agarwal,</li> <li>• Sudhir Agarwal,</li> <li>• Jyotsna Agarwal,</li> <li>• Yashvikram Infrastructure Pvt Ltd,</li> <li>• Ayesspea Holdings &amp; Investment Private Limited, Alok</li> <li>• Agarwal,</li> <li>• Pravin Agarwal,</li> <li>• Priti Agarwal,</li> <li>• Chandrahas Shetty,</li> <li>• Garuda Aviation Services Pvt Ltd,</li> <li>• BhuddhaDev Kar,</li> <li>• Ramniranjan Bhutra,</li> <li>• Shivkumar Singh</li> </ul>

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Red Herring Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 124 and 218, respectively of this Draft Red Herring Prospectus, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

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

- Some risks may not be material at present but may have a material impact in the near future.*
- Some risks may not be material individually but may be found material when considered collectively*
- Some risks may have material impact qualitatively and not quantitatively and vice-versa*

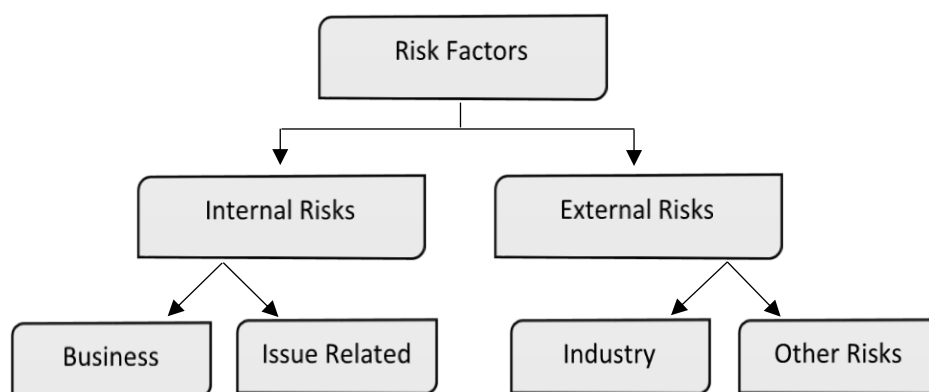
*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 13 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Financial Statements” beginning on page 182 of this Draft Red Herring Prospectus.*

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





## INTERNAL RISKS:

### Business Related Risks:

1. **There are outstanding litigation involving our Company, the Promoters and the Group Companies, which, if determined adversely, may affect their business and operations and our reputation.**

Our Company, Promoters, Directors and Group Companies are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company, Directors, Promoters or Group Companies may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation.

In the ordinary course of business, our Company and our Promoters are involved in certain legal proceedings, which are pending at varying levels of adjudication at different forum. The summary of outstanding matters set out below includes details of civil proceedings, criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Promoters, Directors and our Group Company.

According to the Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory or regulatory actions and taxation matters, is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of Rs. 53.45 Lakhs or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.) <sup>(1)</sup>
<b>Proceedings against our Company</b>		
Civil	1	Not ascertainable
Criminal	Nil	Nil
Tax	6	50,34,918.72.
<b>Proceedings by our Company</b>		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
<b>Proceedings against our Promoters</b>		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	11	93,44,631
<b>Proceedings by our Promoters</b>		

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.) <sup>(1)</sup>
Civil	1	Not ascertainable
Criminal	1	Not ascertainable
Tax	Nil	NIL
<b>Proceedings against our Directors other than our Promoters</b>		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	2	1,59,220
<b>Proceedings by our Directors</b>		
Civil	1	Not ascertainable
Criminal	1	Not ascertainable
Tax	Nil	Nil
<b>Proceedings against our Group Companies</b>		
Civil	6	Not ascertainable
Criminal	1	Not ascertainable
<b>Proceedings by our Group Companies</b>		
Civil	27	Not ascertainable
Criminal	1	Not ascertainable

<sup>(1)</sup>To the extent quantified. *The amounts may be subject to additional interest/other charges, penalty being levied by the concerned authorities which are unascertainable as on the date of this Draft Red Herring Prospectus.*

Brief details of such outstanding litigation as of the date of this Draft Red Herring Prospectus are set forth in chapter "*Outstanding Litigation and Material Developments*" on page 227 of this Draft Red Herring Prospectus.

We cannot assure you that any of the legal proceedings described above will be decided in favor of the Company, the Promoters, Directors and the Group Companies, respectively. Further, the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally. Should any new developments arise, such as a change in Indian law or rulings by appellate courts or tribunals, additional provisions may need to be made by us, the Promoters, the Directors and the Group Companies in our respective financial statements, which may adversely affect our business, financial condition and reputation. We may incur significant expenses and management time in such legal proceeding. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, future financial performance and results of operations.

Further, our Company is not in possession of affirmed documents pertaining to litigation matters described in the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 227 of this Draft Red Herring Prospectus. Accordingly, reliance has been placed on court orders, documents and undertakings furnished by the Company to describe the facts of litigation in the aforesaid chapter. Also, information with respect to the tax claims with respect to Krishna Kumar Bangera, Shivkumar Chhangur Singh, Richa Sharma, the Directors of the Company are not available and therefore, we cannot assure you that all information pertaining to the above is accurate.

**2. Our business requires us to obtain and renew certain licenses and permits from government, regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.**

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. Our Company has made an application for obtaining the factory license under the Factories Act, 1948 in 2013 and has paid necessary license fees, however we are awaiting the approval for the same. Also, pursuant to our conversion from a Private Limited Company to a Public Limited Company in the year 2015 and change of our registered address of our Company from address from 142, Garuda House, Upper

Govind Nagar, Hanuman Temple Malad East Mumbai to Artemis Complex, Gala No. 105 and 108 , National Express Highway Vasai East, Thane 401208 in the year 2018, we have not made necessary applications for certain Licenses and need to take necessary steps for transferring certain approvals and licenses of our Company to the new name and address. Further our Company has not received necessary license under the Legal Metrology Act. We may be penalized for the non-compliance with the aforementioned law for which we have not obtained the requisite licenses.

In case of delay or failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. We have applied for certain regulatory approvals that have not been received as of the date of this Draft Red Herring Prospectus. For further details, please refer to the section titled "*Government and Other Approvals*" on page 235 of this Draft Red Herring Prospectus.

**3. Our business is dependent on a continuing relationship with our clients / customers.**

We are engaged in the business of manufacturing and trading of Light Emitting Diode "LED" Lights and LED lighting accessories. We also manufacture and trade indoor and outdoor LED luminaries such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights, Down lights, Garden lights, pavement / walk through indication lights, etc. The application of our products is in spaces like general lighting, architectural, residential, office, industrial, shop, hospitality, and outdoor. Our Product basket consist of solutions across the LED luminary spectrum i.e. LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our business is significantly dependent on our ability to successfully identify customer requirements and preferences and gain customer acceptance for our products. If we are unable to successfully identify customer requirements and preferences and gain customer acceptance for our products, our business may be affected. Our future success depends on our ability to ensure continued demand for our products in existing and proposed markets, which requires us to develop and maintain relationships with various customers and continuously anticipate and respond in a timely manner to customer requirements and preferences. Our business will be adversely affected if we are unable to successfully anticipate customer requirements, or are unable to modify our current portfolio of products or develop new products, in a timely manner, we may lose customers or become subject to greater pricing pressures. The loss of clients / customers may have a material adverse effect on our operations. Further, though we are committed to product innovation to respond to changing technology in the electric equipment industry, there can be no assurance that we would be successful in developing new products that respond to such changes or changes in customer requirements and preferences or that our products would gain acceptance in our existing or new markets. A decline in demand for our products, or an error in our forecasts for future demand, among other things, could lower our sales, increase inventory levels and may require us to sell our products at substantially marked down prices. Moreover, failure to correctly anticipate trends and adapt to the changing technological environment may result in obsolescence of and reduced demand for our products.

**4. Any non-availability of skilled, semi-skilled and un-skilled manpower could result in disruptions to our manufacturing operations.**

Our manufacturing operations are significantly dependent on access to a large pool of skilled, semi-skilled and un-skilled manpower. Our dependence on such skilled, semi-skilled and un-skilled manpower may result in significant risks for our operations, relating to the availability of such skilled, semi-skilled and un-skilled manpower. There can be no assurance that we will have adequate access to skilled, semi-skilled and un-skilled manpower at reasonable rates or at all. As a result, we may be required to incur additional

costs to ensure smooth running of our operations. We also depend on third party contractors for providing manpower for various services associated with our business. We cannot assure you that manpower, whether hired through contractors or directly, will continue to be available at reasonable wages in the areas where our manufacturing facilities are located.

- 5. The Company is yet to place orders for 100% of the plant and machinery for our proposed object, as specified in the objects of the Issue. Any delay in placing orders, procurement of plant and machinery may delay our implementation schedule and may also lead to increase in price of these plant and machinery, further affecting our revenue and profitability.**

Although we have identified the type of plant and machinery required to be brought for our proposed manufacturing facility, we are yet to place orders for 100% of the plant and machinery worth Rs. 508.27 lakhs as detailed in the chapter titled "*Objects of the Issue*" on page 79 of this Draft Red Herring Prospectus. These are based on our estimates and on third party quotations, which are subject to a number of variables, including possible cost overruns, changes in management's view of the desirability of current plans, change in supplier, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of our proposed project, which would have a material adverse effect on our business, results of operations and financial condition.

- 6. In the twelve months prior to the date of filing the Draft Red Herring Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price.**

In the twelve months prior to the date of filing of the Draft Red Herring Prospectus, the Company had allotted 88,74,030 Equity Shares as bonus shares to its existing shareholders. For more details on the issuance of Bonus shares, please see "*Capital Structure*" on page 66 of this Draft Red Herring Prospectus

- 7. Our Company has not complied with certain statutory provisions under various acts. Such non-compliance / lapses may attract penalties.**

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956 and various other laws, some of which have not been done within the stipulated time period as mentioned in the statutory act(s). Such delay / noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

- 8. Continued operations at our manufacturing facilities are critical to our business and any disruption in our manufacturing facilities would have a material adverse effect on our business, results of operations and financial condition.**

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labor disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government and regulatory authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. While we seek to increase the capacity utilization levels, there can be no assurance that demand for our products will grow at expected rates or that we will be successful in capturing this increase in demand. Further, we cannot assure you that the capacity utilization will not further decrease from current utilization levels, which may further increase the cost of production in the future, as maintenance costs increase for our plant and machinery. If we are unable to pass on this additional cost to our customers, our gross margins could decline and our revenue, results of operations and financial condition would be adversely affected. Our business and financial results may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above. Although we take precautions to minimize the risk of any significant operational problems at our facilities,

our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

**9. Majority of our revenues are dependent on few customers and the loss of, or a significant reduction in purchases by such customers could adversely affect our financial performance.**

The top ten customers accounted for approximately 95.87% of our net sales during Financial Year 2017 - 2018. Although, we have long - standing relationships with our customers, any reason including decrease in demand, recall or discontinuance of a specific product; could have an adverse effect on our financial condition. In addition, as a consequence of our reliance on these customers, any adverse change in their financial condition may also have an adverse effect on our cash flows and business prospects. Such concentration of our business on few customers may adversely affect us in case we lose one or more contracts with these customers. Significant revenue from few customers increases the potential volatility of our results and exposes us to risks which may have an adverse effect on financial performance of our business.

**10. The success of our manufacturing process is dependent upon few suppliers for our raw material supplies for our business operations. In an eventuality where our suppliers are unable to deliver us the required materials in a time – bound manner it may have a material adverse effect on our business operations and profitability.**

For the period ended March 31, 2018 our top 10 suppliers contributed more than 40% of our purchases. In the event of a delay, inadequacy or default in deliveries by any of our suppliers, we may not be able to source our raw material on an adequate and timely basis or on commercially acceptable terms which could adversely affect our business, results of operations and financial condition to the extent we are unable to line up supplies from alternate suppliers.

We are dependent on third-party vendors for supply of raw materials in the manufacturing process of LED and LED lighting accessories. We do not have long-term contracts with any of our third-party vendors for supply of raw materials. We are dependent on the timely and adequate availability of raw materials. Any adverse factors including natural disasters, changes in legislation or any other force majeure events may adversely impact availability of raw materials which may adversely affect our ability to meet commitments and consequently our sales and profitability.

It is also critical for us that our suppliers adhere to the quality standards and product specifications that have been furnished to them by us, and failure by them to adhere to the same would adversely affect the quality and/or timely delivery of our products. In the event we become subject to product liability or performance guarantees caused by defective raw materials obtained from an outside supplier, it may adversely affect our reputation as a supplier, financial condition and results of operations.

**11. Raw material costs for our products constitutes substantial amount of our total expenses, hence exposing us to risks associated with volatility or fluctuations in prices of raw materials.**

The cost of raw materials consumed constitutes a large portion of our total expenses. The increase in the price of the key raw materials or commodities could result in increased manufacturing costs. Historically, we have passed the increased raw material costs to our customers in the form of price increases in our products; however, our inability to pass on the increased costs of raw materials to our customers may adversely affect our margins.

**12. Our reliance on third parties for transportation and delivery of our finished products exposes us to certain risks.**

We rely on third parties for the performance of certain functions and services, including delivery of our finished products and facility management functions. Our ability to identify and build relationships with reliable transportation agents and vendors contributes to our growth and successful management of our inventory as well as other aspects of our operations.

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

Some of the agreements entered into by us may not be adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

**14. Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our products research and development efforts may hurt our competitiveness and profitability.**

Our success is dependent on our ability to develop new products and continue to work on and improve production capabilities. We make investments in product research and development, in particular, to improve the quality of our products and expand our new product offerings, which we believe are factors crucial for our future growth and prospects.

We cannot assure you that our future product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our newly developed or improvised products will achieve wide market acceptance from our customers. Even if such products can be commercially successful, there is no guarantee that they will be accepted by our customers and achieve anticipated sales target or in a profitable manner.

In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we continue to fail in our product launching efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**15. Our Company does not have any similar and comparable listed peer which is involved in the same line of business for a direct comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue**

As on the date of this Draft Red Herring Prospectus, we believe that none of the listed companies in India have a business profile and revenue streams along with their size, directly comparable to our Company. However, there are listed companies in India with one or more business segments that maybe common to our business. Since the listed companies may not be directly comparable to our Company, the accounting ratios of the same may not be a representative yardstick for our Company. Therefore, investors must rely on their own examination of our Company for subscribing to the Issue.

**16. The premises of our factory and our registered office and certain other locations used by us as warehouses are situated on leased premises.**

Our factory and registered office situated at Gala No. 103, 104, 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India is on lease for a period of five years started from January 14, 2016 to November 30, 2020. The premises are taken on lease from P K Hospitality Services Pvt. Ltd. There can be no assurance that we will be able to continue to occupy the said premises in the future on commercially acceptable terms. If any of these lease or license agreements is terminated for any reason or not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition and results of operations.



**17. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.**

We export our Products from India and payment for these sales is received in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

**18. Our Promoters have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits and we have entered and may continue to enter into related party transactions with such Promoters.**

Certain of our Promoters may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favorable than if the transaction had been conducted on an arms-length basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise. For more information on our related party transactions, see "*Financial Statements - Related Party Transactions*" on page 182 Draft Red Herring Prospectus. Additionally, we had in the normal course of our business entered into, and will continue to enter into, transactions with related parties. Certain of the key related party transactions entered into by us include properties taken on lease from our Promoters and sale and supply agreements entered into with our Promoters.

While we believe that all of our related party transactions have been executed at an arm's length basis and are in compliance with applicable law, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to the interests of our Company. For more details, see "*Financials Statements - Related Party Transactions*" on page 182. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

Further, the Companies Act, 2013 has brought into effect certain significant changes providing for stringent compliance requirements for related party transactions. Further, SEBI has recently notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and issued the revised listing agreement, which are effective from December 1, 2015. Pursuant to the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company is, inter alia, required to obtain prior approval of all our uninterested shareholders through an ordinary resolution for all future material related party transactions where any person or entity that is related to our Company will be required to abstain from voting on such resolution. We may face difficulties in entering into related party transactions in future due to these new requirements which may adversely affect our business, results of operations and cash flows.

For further details on the agreements entered into with our Promoters, Directors and Group Companies, see "*History and Certain Corporate Matters*", "*Our Management*" and "*Promoters and Promoter Group*" on pages 156, 160 and 175 respectively of this Draft Red Herring Prospectus.

**19. Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoters or Directors may have an adverse effect on our business prospects.**

Our experienced Directors and senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. Our Whole Time Director has been employed with our Company since our incorporation under various capacities. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be able to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our Directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

**20. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

Our business involves manufacturing processes that may be potentially dangerous to our employees. Although we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labor dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

**21. Any infringement of third-party intellectual property rights or failure to protect our intellectual property rights may adversely affect our business.**

Our Company undertakes regular updation and modification of our offerings to keep abreast with prevalent technology. Given the nature of our products, we cannot assure you that our products do not or will not inadvertently infringe valid third-party intellectual property rights, which may expose us to expensive legal proceedings. Our competitors and other companies or innovators may try to assert patent and other intellectual property rights against us.

**22. Our insurance coverage may not adequately protect us against all material hazards.**

Our Company has covered itself against certain risks. The main insurance policies obtained by us consist of fire and special perils insurance with add on cover for earthquakes and in certain cases, for our manufacturing facilities, machinery and other equipment and products that we manufacture. Our significant insurance policies as specified in chapter titled "*Business Overview*" on page 124 of this Draft Red Herring Prospectus. While we believe that the insurance coverage that we maintain is in accordance

with industry custom, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected.

**23. We may be subjected to risks associated with product warranty.**

Our products are subject to different periods of warranties such as two years, five years and ten years from the date of sale of the products against manufacturing defects. In the event of claimed defects or non-performance of our products, our practice is to accept such genuine claims and to replace such products. In the future, we might also face material number of warranties claims due to defects in our products. Defects, if any, in our products could adversely affect our reputation and demand for our products. In the event that defects, or warranty claims become more frequent, there may be an adverse effect on our operating results and financial condition.

**24. Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group will always act in the best interests of the Company or you.**

The majority of our issued and outstanding equity shares are currently beneficially owned by our Promoters and the members of our Promoter Group. Upon completion of the Issue, our Promoters and members of our Promoter Group will own [●] equity shares, or [●] % of our post-Issue Equity Share capital, assuming full subscription of the Issue. Accordingly, our Promoters and members of our Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may result in certain transactions becoming more difficult or impossible to undertake without the support of these shareholders. The interests of our Promoters and Promoter Group as the Company's controlling shareholders could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that our Promoters and the members of our Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

**25. We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.**

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalized. We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

**26. We have indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As of September 30, 2018, we have outstanding debt of 860.50 lakhs (excluding non-fund-based borrowing). Such level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- Affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialize, our business and results of operations may be adversely affected. For further information, see section titled “Financial Indebtedness” on page 225 of this Draft Red Herring Prospectus.

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

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval / permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further details in this regard, please refer chapter titled “*Financial Indebtedness*” beginning on page 225 of this Draft Red Herring Prospectus.

**28. We have taken advance from customers, outstanding of which is at Rs. 273.34 lakhs as on September 30, 2018. In case of abrupt cancellation of orders and untimely demand of advance, we will have to arrange these funds which may carry higher cost of funding, which may have an impact on our financial operations.**

We have taken advance from customers, outstanding of which is at Rs. 273.34 lakhs lakhs as on September 30, 2018. In case of abrupt cancellation of orders and untimely demand of advance, we will have to arrange these funds which may carry higher cost of funding and it may affect the financial operations of our Company to that extent.

**29. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

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

However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorized to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by

SEBI, in this regard.

**30. One of our Directors "Richa Sharma" has not made the required tax filings with the Income Tax Department.**

One of our Directors Richa Sharma has not made necessary annual tax filing as required under the Income Tax Act, 1961. Any penalty or proceeding against her may require her to direct her attention to such proceeding and may therefore adversely affect the Company.

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

Our business is working capital intensive and involves significant amount in trade receivables and inventories. Summary of our working capital position, based on the restated financials as at March 31, 2018 is given below: -

(Rs. in Lakhs)	
Particulars	For the Period ended March 31, 2018
<b>A. Current Assets</b>	
Inventories	1,921.22
Trade Receivables	2,501.90
Cash and Bank Balances	2.55
Short term loans & advances	392.77
<b>Sub-total (A)</b>	<b>4,818.44</b>
<b>B. Current Liabilities</b>	
Trade Payables	2,002.51
Other Liabilities	1,066.58
Short Term Provisions	610.83
<b>Sub-total (B)</b>	<b>3,679.92</b>
<b>Working Capital (A-B)</b>	<b>1,138.52</b>
Inventories as % of total current assets	39.87%
Trade receivables as % of total current assets	51.92%

Our Company intends to continue growing by expanding our geographical reach and obtaining sales orders. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funds, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "Objects of the Issue" beginning on page 79 of this Draft Red Herring Prospectus.

**32. We face stiff competition in our business which may adversely affect our business operations and financial condition. Moreover, we have a limited product portfolio when compared to industry peers in the organized sector which may affect our ability to compete effectively.**

The market for our products is highly competitive. Players in this industry generally compete with each other on key attributes such as the quality of products, quality of after sales services and pricing. Some of our competitors may have greater financial, technical and other resources and greater market share and goodwill which may enable them to compete effectively. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

While we believe we are able to compete effectively with our product portfolio, our competitors' wider product range offers them the opportunity to cater to wider customer base and develop a greater brand recall. We aim to diversify our product portfolio in due course of time but are unable to assure you whether the same shall be as successful as our existing products. In the event we are unable to compete effectively with our existing product range and are unable to successfully develop and market the new

product range within a definite timeline or at all, our business and results of operations shall be adversely affected.

**33. Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition. Quality control is a vital element for our sector.**

Our business is dependent on the trust our customers have in the quality of our products. The projects we execute or the products we manufacture must meet our customers' quality standards. We are ISO 9001:2015, ISO 14001:2015 and ISO 18001:2007 certified as a manufacturer and supplier of LED Lighting Solutions. Although we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from a drop – in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**34. Any inability on our part to keep pace with the technological developments could adversely impact our business, results of operations and financial conditions.**

Any rapid change in our customers' expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. We believe that we have always strived to cater to the growing demand of our customers by fulfilling their technical requirements. Our failure to anticipate or to respond adequately to changing technical, market demands and/ or client requirements could adversely affect our business and financial results.

**35. Our industry is labor intensive and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.**

Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Further, we also employ contract or casual labor at our factory. Any disruptions with the laborer's may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies, and we may face the threat of labor unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**36. The loss of or shutdown of operations at facility may have a material adverse effect on our business, financial condition and results of operations.**

Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations may be affected, which in turn would have

a material adverse effect on its business, financial condition and results of operations.

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

Based on our Restated financial statements as at March 31, 2018, we do not have any contingent liabilities. However, in the event if any such contingency arises and materializes during the subsequent periods, our financial condition could be adversely affected. For further details, see the section entitled "*Financial Statements*" on page 182 of this Draft Red Herring Prospectus.

**38. Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.**

Our revenues and profits are dependent on several factors such as expansion in new areas, retaining key managerial personnel, complying with various regulatory requirements, receipt of subsidies from Government, managing costs and expenses, general market conditions, etc. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and financial condition.

**39. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.**

We maintain large amounts of inventory at our premises at all times. Although we have set up security measures, our operations may be subject to incidents of theft or damage to inventory. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

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

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

**41. We may not be able to sustain if there is no effective implementation of our business and growth strategy.**

Success of our business will depend greatly on our ability to effectively implement our business and growth strategy. We cannot provide assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers. Changes in regulations applicable to the industry in which we operate may also make it difficult to implement our business strategy. Inability on our part to manage our business and effectively implement growth strategy could have a material adverse effect on our business, financial condition and profitability.

42. **Our Shareholders and members of the promoter group have given personal guarantees in relation to certain debt facilities provided to our Company by our lender. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our management's ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.**

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by a personal guarantee of our promoters or members of our promoter group. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters / Directors / Key Managerial Personnel(s) ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our promoters or members of the promoter group withdraws or terminates his/ their guarantee(s) or security, the lenders for such facilities may ask for alternate guarantee(s) or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee(s) or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled "Financial Indebtedness" beginning on page 225 of this Draft Red Herring Prospectus.

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

As on September 30, 2018, our Company has unsecured loans amounting to Rs. 50.00 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of above-mentioned loans of our Company, please refer the chapter titled "*Financial Statements*" beginning on page 182 of this Draft Red Herring Prospectus.

44. **Within the parameters as mentioned in the chapter titled '*Objects of the Issue*' beginning on page no. 79 of this Draft Red Herring Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the "*Objects of the Issue*" have not been appraised by any bank or financial institution.**

We intend to use entire Issue proceeds for working capital, purchase of machinery / equipment and general corporate purposes. We intend to deploy the Net Issue Proceeds in FY 2019-20 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc. For further details on the use of the Issue Proceeds, please refer chapter titled "*Objects of the Issue*" beginning on page 79 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled '*Objects of the Issue*' beginning on page no. 79 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Audit Committee will monitor the utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, as amended from time to time, a company shall not vary the objects of the Issue without our Company being authorized to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price and in such manner as may be prescribed by SEBI, in this regard.



As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 79 of this Draft Red Herring Prospectus.

**45. The laws of various countries govern our Suppliers contracts and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.**

Several of our sale orders executed with our suppliers are governed by the laws of the country in which either the supplier is incorporated or where the business of the supplier is situated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

**46. We have entered into Related Party Transactions and continue to do so in future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.**

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter titled “*Financial Statements*” beginning on page 182 of this Draft Red Herring Prospectus.

**47. Lays or defaults in client payments could result in a reduction of our profits. We may be subject to working capital shortages due to delays or defaults in payments by clients.**

If client(s) default in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

**48. We rely extensively on our systems, including quality assurance systems, products processing systems and information technology systems, the failure of which could adversely affect our business, financial condition and results of operations.**

We depend extensively on the capacity and reliability of the quality assurance systems, product processing systems and information technology systems, supporting our operations. Considering the nature of our business and the industry in which we operate, it is imperative for us to have a robust information technology platform. If our data capturing, processing and sharing cannot be integrated and/ or we experience any defect or disruption in the use of, or damage to, our information technology systems, it may adversely affect our operations and thereby our business and financial condition. Our systems are also subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition and results of operations.

**49. Introduction of alternative products caused by changes in technology or consumer needs may affect demand for our existing products which may adversely affect our financial results and business prospects.**

Our products are mainly used in the healthcare sector to cater to masses. Our business is affected by change in technology, consumer needs, market perception of brand, convenience, health and safety norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers' businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of our businesses and consumer needs may have an adverse effect on our business, profitability and growth prospects.

**50. In addition to the normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding, dividend entitlement, if any, loan availed by our Company, as creditors of the Company etc.**

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company and credit balance due to them if any against purchases made from entities in which they are interested. For further information, see "*Capital Structure*" and "*Our Management*" and "*Financial Statements*" beginning on pages 66, 160 and 182, respectively, of this Draft Red Herring Prospectus.

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

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

**52. We could be harmed by employee misconduct or any such incidences could adversely affect our financial condition, results of operations and reputation.**

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

**53. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.**

Till date our Company has not paid any dividend. The amount of our future dividend payments, if any, will depend upon various factors such as our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends in the future.

Additionally, the terms of any financing we obtain in the future, may contain restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

**54. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.**

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labor, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
- e. Public Liability Insurance Act, 1991

The above-mentioned enactments govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non – compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

**Issue Related Risks**

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

The Issue Price of our Equity Shares will be determined by book building method. This price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page no 87 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

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

**57. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner or at all.**

In accordance with Indian law and practice, permission for listing of the Equity Shares issued pursuant to the Issue will not be granted until after such Equity Shares have been issued and Allotted. Such approval

will require all other relevant documents authorizing the issue of Equity Shares to be submitted. There could be a failure or delay in listing these Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to sell the Equity Shares.

**58. There are restrictions on daily / weekly / monthly movements in the price of the equity shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell the equity shares at a particular point of time.**

Once listed, we would be subject to the circuit breaker imposed by stock exchange on which our company is listed. The circuit breaker does not allow the transactions beyond specified increases or decreases in the price of the equity shares. The circuit breaker operates independently of the index-based market wide circuit breakers generally imposed by SEBI on different stock exchanges. The percentage limit on the circuit breakers is set by the stock exchange based on the historical volatility in the price and the trading volume of the equity shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and the downward movements in the price of the equity shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell the equity shares or the price at which you may be able to sell the equity shares at any particular point of time. You will not be able to sell immediately on stock exchange any of the equity shares you purchase in the issue until the issue receives required trading permissions.

Pursuant to Indian regulations, certain compliances must be ensured before the equity shares can be listed and the trading may commence. We cannot assure you that the equity shares will be credited to the investors, demat accounts, or that trading in equity shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the equity shares in accordance with the relevant provisions of the Companies Act, 2013. In the event that the permission for listing the equity shares is denied by the stock exchange, we are required to refund all monies collected from investors.

**59. After this issue, the price of the equity shares may be highly volatile, or an active trading market for the equity shares may not develop.**

The price of equity shares on the stock exchange may fluctuate as a result of the factors including:

- a. Volatility in the Indian and Global Capital Market;
- b. Companies' results of operations and financial performance;
- c. Performance of Company's competitors;
- d. Adverse media reports on company or pertaining to the industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and
- g. Significant developments in India's environmental regulations.

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

## **EXTERNAL RISK FACTORS**

### **Industry Related Risks**

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

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion

of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

### **Other Risks**

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

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

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

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and currently, such gains are not be subject to capital gains tax in India if Securities Transaction tax ("STT") has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. As per the The Finance Act, 2018, the exemption on long-term capital gains tax has been withdrawn with effect from 1 April 2018 and tax at the rate of 10% is levied on such long-term capital gains in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

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

As stated in the reports of the Auditor included in this Draft Red herring Prospectus under chapter "*Financial Statements*" beginning on page 182, the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are

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

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Industry Regulations*” on page no. 144 of this Draft Red Herring Prospectus, for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

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

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

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

In this globalized world, the Indian economy and financial markets are significantly influenced by

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

**66. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- a. Custom duties on imports of computers, servers and other accessories.
- b. Goods and Service Tax on certain raw materials and components;
- c. Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

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

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

**68. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which our company operates contained in the Draft Red Herring Prospectus.**

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which our company operates has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled '*Industry Overview*' beginning on page 100 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE Limited could adversely affect the trading price of the Equity Shares.

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

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

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

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

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

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

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

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

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



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

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

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

## SECTION III – INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Upto 70,00,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
<b>Of Which</b>	
Market Maker Reservation Portion	Upto [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to ₹ [●] Lakhs
Net Issue to the Public	Upto [●] Equity Shares of face value of ₹10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
<b>Of Which</b>	
<b>(A) Retail Portion</b>	[●] Equity Shares of face value of Rs. 10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors
<b>(B) Non – Institutional Portion</b>	[●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	[●] Equity Shares of face value of ₹ 10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of ₹ 10 each
Use of Issue Proceeds	For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 79 of this Draft Red Herring Prospectus.

#### Notes

- *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 31, 2018 and approved by the shareholders of our Company vide a special resolution at the EGM held on February 07, 2019 pursuant to section 62(1)(c) of the Companies Act This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details please refer to section titled “Issue Structure” beginning on page 301 of this Draft Red Herring Prospectus*
- The Issue is being made through the Book Building Process wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants.
- However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines. For details, please refer chapter titled “*Issue Procedure*” beginning on page 276 of this Draft Red Herring Prospectus.

Subject to valid Applications being received at the Issue Price, under subscription, if any, in any category would be met with spill-over from the other categories or a contribution of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange i.e. BSE SME

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE I – Restated Standalone Statement of Assets and Liabilities of Artemis Electricals Limited**

**(Rs.in lakhs)**

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Equity and Liabilities</b>				
<b>Shareholders' Funds</b>				
Share Capital	1,331.10	443.70	443.70	443.70
Reserve & Surplus	1,000.73	1,353.67	400.77	223.73
<b>Non Current Liabilities</b>				
Long Term Borrowings	660.50	1,076.28	42.22	34.93
Deferred Tax Liabilities (Net)	19.39	15.56	2.26	0.59
Long Term Provisions	11.91	10.83	7.86	5.04
<b>Current Liabilities</b>				
Short Term Borrowings	200.00	151.28	-	-
Trade Payables	2,078.66	2,002.51	797.20	114.61
Other Current Liabilities	547.90	1,066.58	112.34	499.42
Short Term Provisions	767.66	612.19	162.72	56.85
<b>Total</b>	<b>6,617.85</b>	<b>6,732.59</b>	<b>1,969.07</b>	<b>1,378.89</b>
<b>Assets</b>				
<b>Fixed Assets:</b>				
Tangible Assets	1,566.85	1,631.38	133.15	118.99
Intangible Assets	-	-	-	-
Long Term Loans & Advances	181.79	282.77	350.79	301.94
<b>Current Assets</b>				
Inventories	2,036.26	1,921.22	427.10	289.77
Trade Receivables	1,997.00	2,501.90	1,003.70	629.89
Cash and Bank Balances	9.66	2.55	4.74	7.70
Other Current Assets	826.29	392.77	49.59	30.60
<b>Total</b>	<b>6,617.85</b>	<b>6,732.59</b>	<b>1,969.07</b>	<b>1,378.89</b>

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

**ANNEXURE II – Restated Standalone Statement of Profit and Loss of Artemis Electricals Limited**

(Rs.in lakhs)

Particulars	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Income</b>				
Revenue from Operations	5,065.25	8947.63	4723.87	4531.21
Other Income	-	3.68	-	2.66
<b>Total</b>	<b>5,065.25</b>	<b>8,951.31</b>	<b>4,723.87</b>	<b>4,533.87</b>
<b>Expenditure</b>				
Cost of Material Consumed	3,964.90	7,403.49	4,019.49	4,065.56
Changes in Inventories of Finished Goods	(126.24)	(510.78)	107.72	(151.06)
Employee Benefit Expenses	75.83	146.48	114.80	96.26
Finance Costs	36.24	36.91	0.61	20.76
Depreciation and Amortisation Expense	82.49	51.83	23.54	16.89
Other Expenses	233.75	408.70	171.67	276.88
<b>Total</b>	<b>4,266.97</b>	<b>7,536.63</b>	<b>4,437.83</b>	<b>4,325.30</b>
<b>Profit before Tax and exceptional items</b>	<b>798.29</b>	<b>1,414.68</b>	<b>286.04</b>	<b>208.57</b>
Exceptional Items	-	-	-	-
<b>Net Profit before Tax</b>	<b>798.29</b>	<b>1,414.68</b>	<b>286.04</b>	<b>208.57</b>
<b>Less: Provision for Taxes</b>				
Current Tax	260.00	448.48	107.33	68.00
MAT Credit Entitlement	-	-	-	(12.24)
Deferred Tax	3.82	13.30	1.67	(1.95)
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>534.47</b>	<b>952.90</b>	<b>177.04</b>	<b>154.76</b>
Extra Ordinary Items	-	-	-	-
<b>Net Profit after Tax</b>	<b>534.47</b>	<b>952.90</b>	<b>177.04</b>	<b>154.76</b>

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

Annexure III - Restated Standalone Statement of Cash Flows of Artemis Electricals Limited

(Rs.in lakhs)

Particulars	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxes	798.29	1,414.68	286.04	208.57
Adjustment for:				
Add: Depreciation	82.49	51.83	23.53	16.89
Add: Interest & Finance Charges	-	36.91	0.61	20.76
Less: Interest Income	36.24	(1.30)	-	-
<b>Operating Profit before Working capital changes</b>	<b>917.02</b>	<b>1,502.11</b>	<b>310.18</b>	<b>246.22</b>
Adjustments for:				
Decrease (Increase) in Trade & Other Receivables	504.90	(1,498.20)	(373.81)	(427.34)
Decrease (Increase) in Short Term Loans & Advances	(433.52)	(343.18)	(18.99)	-
Decrease (Increase) in Inventories of Finished Goods, Stock-in-Trade & Scrap	(115.04)	(1,494.12)	(137.33)	(207.14)
Decrease (Increase) in Other Current Assets (Excluding Advance Tax and TDS)	-	-	-	(13.08)
Increase (Decrease) in Trade Payables	76.15	1,205.31	696.61	15.72
Increase (Decrease) in Other Current Liabilities	(518.68)	954.24	(399.37)	485.18
Increase (Decrease) in Long Term Provisions (Excluding Provision for Taxes)	1.08	2.97	2.82	1.72
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	2.78	10.67	1.68	(5.74)
<b>Net Changes in Working Capital</b>	<b>(482.33)</b>	<b>(1162.31)</b>	<b>(228.38)</b>	<b>(150.67)</b>
<b>Cash Generated from Operations</b>	<b>434.69</b>	<b>339.81</b>	<b>81.80</b>	<b>95.54</b>
Less: Taxes	(107.31)	(9.68)	(4.89)	(15.39)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>327.39</b>	<b>330.13</b>	<b>76.91</b>	<b>80.15</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale / (Purchase) of Fixed Assets	(17.96)	(1,550.07)	(37.69)	(17.64)
Interest Income	-	1.30	-	-
Decrease (Increase) in Long Term Loans & Advances	100.98	68.02	(48.85)	(141.00)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>83.02</b>	<b>(1,480.75)</b>	<b>(86.54)</b>	<b>(158.64)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	270.00
Interest & Finance Charges	(36.24)	(36.91)	(0.61)	(20.76)
Increase / (Repayment) of Long Term Borrowings	(367.06)	1,185.33	7.29	(93.07)
Increase / (Repayment) of Short Term Borrowings	-	-	-	(0.04)
Decrease (Increase) in Long Term Loans & Advances	-	-	-	(151.84)
Dividend and Dividend Distribution Tax	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(403.29)</b>	<b>1,148.43</b>	<b>6.68</b>	<b>4.29</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	7.11	(2.19)	(2.95)	(74.20)
Cash and cash equivalents at the beginning of the year / Period	2.55	4.74	7.69	81.89

Particulars	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Cash and cash equivalents at the end of the year/ Period	9.66	2.55	4.74	7.69

Notes:

1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

2)The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

## GENERAL INFORMATION

Our Company was originally incorporated as “Artemis Electricals Private Limited” as a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated October 26, 2009 bearing Corporate Identification Number U51505MH2009PTC196683 issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed at the Extra – Ordinary General Meeting by the shareholders dated July 25, 2015 and the name of our Company was changed to “Artemis Electricals Limited” to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Maharashtra, Mumbai dated August 27, 2015. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 156 of this Draft Red Herring Prospectus.

The Corporate Identity Number of our Company is U51505MH2009PLC196683.

### Registered of our Company

**Artemis Electricals Limited**  
Artemis Complex, Gala No. 105&108,  
National Express Highway, Vasai [East]  
Thane - 401208  
Maharashtra, India.  
**Tel No:** +91-22-29275032  
**Website:** www.artemislighting.com  
**E-mail:** contact@artemiselectricals.com

### Corporate Office of our Company

201 A, A Wing, 2<sup>nd</sup> Floor,  
Fortune 2000, G Block, BKC,  
Bandra [East], Mumbai - 400051  
Maharashtra, India.  
**E-mail:** contact@artemiselectricals.com

### Registrar of Companies

Our Company is registered with Registrar of Companies, Mumbai located at:  
100 Everest,  
Marine Drive,  
Mumbai – 400002,  
Maharashtra, India.

### Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name	Designation	DIN	Address
1.	Pravin Agrawal	Executive Director	0084 5482	1105 Tower A, Raheja Sherwood, Western Express Highway, B/H Hub Mall, Goregaon (East), Mumbai – 400063, Maharashtra, India
2.	Ramniranjan Bhutra	Non Executive Director	0145 9092	G 401, Evershine Millennium, Paradise Moon - 73, Thakur Village Evershine Dream Park, Kandivali (East) Mumbai 400101, Maharashtra, India
3.	Krishnakumar Laxman Bangera	Non-Executive Independent Director	0208 2675	Flat No 401, Jeevan Sathi, 18 Juhu Lane, C D Barfi Wala Marg Inside New India Staff Quarter, Andheri [W] - 400058, Maharashtra, India.
4.	Richa Sharma	Non-Executive Independent Director	0812 2719	Flat No. 102, Gunjan – B Wing, Gaurav Garden, Charkop, Kandivali West Mumbai – 400067 Maharashtra, India.



Sr. No.	Name	Designation	DIN	Address
5.	Shivkumar Singh	Whole Time Director	0720 3370	Garuda House, Atlanta Bldg., 102 to 110, Vitbhatti., Off Goregaon Mulund Link Road, Mumbai 400063

For further details of our Directors, please refer chapter titled “*Our Management*” beginning on page 160 of this Draft Red Herring Prospectus.

#### **Company Secretary and Compliance Officer**

##### **Alheena Khan**

Company Secretary and Compliance Officer  
Artemis Complex, Gala No. 105&108,  
National Express Highway, Vasai [East]  
Thane - 401208  
Maharashtra, India.

**Tel No:** +91-22-29275032

**E-mail:** contact@artemiselectricals.com

**Investors can contact the Registrar to the Issue, Company Secretary and Compliance Officer or the BRLM in case of any pre or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode and unblocking of funds.**

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

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

#### **Statutory Auditor and Peer Reviewed Auditor**

##### **M/s. Mittal Agarwal & Co.**

404, Madhu Industrial Park, Mogra Cross Road, Near Apollo Chamber, Andheri (East),  
Mumbai – 400069, Maharashtra, India

**Tel:** +91 22 28324532

**Fax:** +91 22 28304534

**Email:** mkmittal1@yahoo.com

**Contact Person:** Piyush Agarwal

**Firm Registration No:** 131025W

#### **Book Running Lead Manager**

##### **Fedex Securities Private Limited**

305, Enterprise Centre,  
Nehru Road, Vile Parle (East),  
Mumbai – 400099, Maharashtra, India

**Tel No:** +91 8104985149

**Fax No:** +91 22 26186966

**Contact Person:** Rinkesh Saraiya

**Email:** mb@fedsec.in

**Website:** www.fedsec.in

**Investor Grievance Email:** mb@fedsec.in  
**SEBI Registration Number:** INM000010163

**Legal Advisor to the Issue**

**Rajani Associates, Advocates and Solicitors**

204-207, Krishna Chambers,  
59, New Marine Lines,  
Churchgate, Mumbai – 400020,  
Maharashtra

**Tel:** +91 22 4096 1000

**Fax:** +91 22 4096 1010

**E-mail:** [sangeeta@rajaniassociates.net](mailto:sangeeta@rajaniassociates.net)

**Registrar to the Issue**

**Cameo Corporate Services Limited**

Submaramanian Building,  
No. 1 Club House,  
Chennai – 600002, India.

**Tel No:** +91 44 2846 0390 /1989

**Fax No:** +91 44 2846 0129

**E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

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

**Contact Person:** R. D. Ramasamy

**SEBI Registration No:** INR000003753

**Investor Grievance Email:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

**Bankers to our Company**

**The Federal Bank Limited**

8, 9, 10 Laram Centre,  
S. V Road, Andheri West,  
Mumbai – 400 058

**Tel:** +91 022 26289216 / 26245370 / 26286792

**E-mail:** [bbyb@federalbank.co.in](mailto:bbyb@federalbank.co.in)

**Contact Person:** Kumar Abhishek (AVP and Branch Head)

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

**Bankers to the Issue and Refund Banker**

[●]

**Tel No:** [●]

**Fax:** [●]

**E-mail:** [●]

**Contact Person:** [●]

**Website:** [●]

**SEBI Registration No:** [●]

**Syndicate Members**

As on Draft Red Herring Prospectus, company has not appointed any Syndicate Members

### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

### **Registered Brokers**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicants can submit Application Forms in the Issue using the stock brokers network of the BSE SME i.e., through the Registered Brokers at the Broker Centers.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE. The details of the Broker Centers of the Registered Brokers will be available on the website of SEBI.

### **Registrar and Share Transfer Agents**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to BSE for acting in such capacity.

The list of the RTAs eligible to accept Applications Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of BSE.

### **Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with CDPs who are registered with SEBI and have furnished their details to BSE for acting in such capacity.

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of BSE.

### **Inter-Se Allocation of Responsibilities**

Fedex Securities Private Limited being the sole Book Running Lead Manager to this Issue shall be undertaking all activities in relation to this Issue. Hence, the statement of inter-se allocation of responsibilities among Book Running Lead Manager is not required.

### **Credit Rating**

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

### **IPO Grading**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations 2018, there is no requirement of appointing an IPO grading agency.

### **Appraisal and Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations 2018, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is only of Rs. [●] Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **Expert Opinion**

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

Our Company has received a written consent from our Peer Review Auditor, M/s Mittal Agarwal & Company, Chartered Accountants, with respect to the report on the Financial Statements dated February 25, 2019 and the Statement of Tax Benefits dated February 25, 2019, to include their name in this Draft

Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act read with SEBI ICDR Regulations as “expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Debenture Trustee**

Since this is not a debenture issue, appointment of debenture trustee is not required.

### **Filing of Draft Red Herring Prospectus**

A soft copy of Draft Red Herring Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246 (5) of SEBI ICDR Regulations 2018 and SEBI shall not issue any observation on the offer document in terms of Regulation 246(2) of SEBI ICDR Regulations 2018.

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act will be delivered to the RoC situated at. Our Company is registered with Registrar of Companies, Mumbai located at: 100 Everest, Marine Drive, Mumbai – 400002, Maharashtra, India.

### **Book Building Process**

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the BRLM, and advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper, and [●] editions of the Marathi newspaper (Marathi being the regional language where our Registered and Corporate Office is located), each with wide circulation, at least two working days prior to the Bid / Issue Opening Date. The Issue Price is finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the BRLM;
3. the Syndicate Members, if any;
4. the Registrar to the Offer;
5. the Registered Brokers;
6. the Escrow Collection Bank(s); and
7. the SCSBs.

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process Issue, wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines. Our Company will comply with the SEBI ICDR Regulations 2018 for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

**In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, please refer to section titled "Issue Procedure" beginning on page 276 of this Draft Red Herring Prospectus.**

**QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA Process. Anchor Investors are not permitted to participate through the ASBA Process.**

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

We will comply with the SEBI ICDR Regulations 2018 and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Fedex Securities Private Limited as the Book Running Lead Manager, respectively to manage the Issue and procure subscriptions to the Issue.

Further [●]% of the Issue is reserved for allocation to the Market Maker.

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

**Illustration of Book Building and Price Discovery Process:** *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors

Bid Quantity	Bid Amount	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the issue price at or below such cutoff price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

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

- 1) Check eligibility for making a Bid (see section titled “Issue Procedure” on page 276 of this Draft Red Herring Prospectus);
- 2) Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- 3) Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- 4) Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository

Participant 's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;

- 5) Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form;

## **BID / ISSUE PROGRAMME**

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

<b>Event</b>	<b>Indicative timeline</b>
Bid Issue Opening Date	[●]
Bid Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on BSE SME	[●]

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

Application Forms and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by BSE SME, in case of Application Forms by Retail Individual Applicants after considering the total number of applications received up to the closure of timings and reported by the Book Running Lead Manager to the BSE SME within half an hour of such closure. It is clarified that the Application Forms not uploaded on the electronic system would be rejected. Application Forms will be accepted only on Working Days during the Issue Period.

Due to limitation of time available for uploading the Application Forms on the Issue Closing Date, the Applicants are advised to submit their Application Forms one (1) day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are IST. Applicants are cautioned that in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public offerings, some Application Forms may not get uploaded due to lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations 2018, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application prior to the Issue Closing Date. Allocation to Retail Individual Applicants in this Issue may be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from BSE SME may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered

in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

### Underwriters

Our Company and the BRLM to the Issue hereby confirm that the Issue is 100% Underwritten.

The underwriting agreement is dated [●], and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite the following number of Equity Shares being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (₹ in Lakhs)	% of the Net Issue size Underwritten
[●] [●] Tel No: [●] Fax No: [●] Contact Person: [●] Email: [●] Website: [●] SEBI Registration Number: [●]	[●]	[●]	100%
<b>Total</b>	[●]	[●]	<b>100%</b>

\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI ICDR Regulation 2018.

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

### Change in the Auditor during last 3 year

There are no changes in the Auditor during last three (3) years as on date of this Draft Red Herring Prospectus

### Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## **Market Maker**

Our Company, the Book Running Lead Manager have entered into an agreement dated [●], with the following Market Maker, duly registered with BSE SME to fulfill the obligations of market making: -

[●]

**Tel No:** [●]

**Email:** [●]

**Website:** [●]

**Contact Person:** [●]

**SEBI Registration Number:** [●]

**Market Maker Registration No. (SME Segment of BSE):** [●]

[●] is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations 2018.

The Market Maker shall fulfill the applicable obligations and conditions as specified in SEBI ICDR Regulations 2018, as amended from time to time and the circulars issued by BSE SME and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the market making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time and the same shall be updated in the Prospectus. Further, the Market Maker(s) shall inform BSE SME in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the Stock Exchange and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. [●] the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●] until the same, would be revised by BSE SME.
4. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Equity Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
5. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE Limited may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.



8. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call caution. The securities of the company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.
9. The Equity Shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under SME Platform of BSE Limited and SEBI circulars.
10. **Price Band and Spreads:** SEBI Circular bearing reference no. CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25,000 lakhs, the applicable price bands for the first day shall be:
  - a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Platform of Bombay Stock Exchange of India Limited:

Sr No	Market Price Slab [in Rs.]	Proposed Spread [in % to Sale Price]
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the BSE SME, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
12. The Market Maker shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI ICDR Regulations 2018 Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time.
13. BSE SME will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to time.
14. BSE Limited will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the BSE SME on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the BSE SME from time to time. The BSE SME will impose a penalty on the Market Maker in case he is not present in the market (offering two-way

quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

15. Pursuant to SEBI circular no. CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to ₹ 2,000 Lakhs	25%	24%
₹ 2,000 Lakhs to ₹ 5,000 Lakhs	20%	19%
₹ 5,000 Lakhs to ₹ 8,000 Lakhs	15%	14%
Above ₹ 8,000 Lakhs	12%	11%

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

## CAPITAL STRUCTURE

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

*Amount (Rs in Lacs except share data)*

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,20,00,000 Equity Shares of face value of Rs. 10/- each	2,200.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	1,33,11,045 Equity Shares of face value of Rs. 10/- each	1,331.10	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS*</b>		
	Issue up to 70,00,000 Equity Shares of face value Rs.10 each at a price of Rs. [●] per Equity Share*	[●]	[●]
	<b>Consisting of:</b>		
	Reservation for Market Maker – [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●] per Equity Share	[●]	[●]
	Net Issue to the Public – [●] Equity Shares of face value of Rs. 10 each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Of the Net Issue to the Public</b>	[●]	[●]
	Allocation to Retail Individual Investors- [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 Lakhs	[●]	[●]
	Allocation to Other than Retail Individual Investors- [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2 Lakhs	[●]	[●]
	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>	[●]	[●]
	[●] Equity Shares of face value of Rs. 10 each^	[●]	
	<b>Securities Premium Account</b>		
	Before the Issue		109.21
	After the Issue		[●]

\*The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 31, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting held on February 07, 2019

^Subject to finalisation of Basis of Allotment

#to be finalized upon determination of Issue Price

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

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

Sr. No.	Date of Change	AGM / EGM	Changes in authorized Capital
1.	On Incorporation		The authorized capital of our company on incorporation comprised of Rs. 5,00,000/- consisting of 50,000 Equity shares of Rs. 10 each.
2.	January 04, 2010	EGM	The authorized share capital of Rs. 5,00,000/- consisting of 50,000 Equity Shares of Rs.10/- each was increased to Rs.2,00,00,000/- consisting of 20,00,000 Equity shares of Rs.10/- each.
3.	June 03, 2013	EGM	The authorized share capital of Rs.2,00,00,000/-consisting of 20,00,000 Equity Shares of Rs.10/-each was increased to Rs.2,50,00,000/-consisting of 25,00,000 Equity shares of Rs.10/- each.
4.	July 25, 2015	EGM	The authorized Share capital of Rs.2,50,00,000/- consisting of 25,00,000 Equity shares of Rs.10/- each was increased to Rs.5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each.
5.	December 26, 2015	EGM	The authorized Share capital of Rs. 5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each was increased to Rs.7,00,00,000/- consisting of 70,00,000 Equity shares of Rs.10/- each.
6.	May 05, 2018	EGM	The authorized share capital of Rs.7,00,00,000/- consisting of 70,00,000 Equity shares of Rs.10/- each was increased to Rs.22,00,00,000/- consisting of 2,20,00,000 Equity shares of Rs.10/- each.

The company has one class of share capital i.e. equity shares of Face value of Rs.10/- each only. All equity shares issued are fully paid-up. Our Company has no outstanding Convertible Instruments as on date of this Draft Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. History of Share capital of the company:

##### Equity Share capital:

The following table sets forth the history of the equity share capital of our company:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
On Incorporation (October 26, 2009)	10,000	10	10.00	Cash	Subscription to MoA*	10,000
March 18, 2010	7,70,000	10	10.00	Cash	Further allotment <sup>1</sup>	7,80,000
March 31, 2010	1,10,000	10	10.00	Cash	Further allotment <sup>2</sup>	8,90,000
February 28, 2012	4,99,100	10	10.00	Cash	Further allotment <sup>3</sup>	13,89,100
June 26, 2013	10,00,000	10	10.00	Other than cash	Conversion of Unsecured Loan <sup>4</sup>	23,89,100
January 13, 2016	3,00,000	10	10.00	Cash	Further allotment <sup>5</sup>	26,89,100
January 15, 2016	17,47,915	10	10.00	Other than cash	Bonus Shares <sup>6</sup>	44,37,015
June 26, 2018	88,74,030	10	35.00	Other than cash	Bonus Shares <sup>7</sup>	1,33,11,045

\*Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs. 10/- each fully paid at par on October 26, 2009, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Pravin Kumar Agarwal	3333
2.	Alok Kumar Agarwal	3334
3.	Sudhir Kumar Agarwal	3333
	<b>Total</b>	<b>10,000</b>

<sup>1</sup>Further Issue of 7,70,000 Equity Shares of face value of Rs. 10/- each fully paid at par on March 18, 2010 as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Yashvikram Infrastructure Private Limited	7,60,000
2.	Pravin Kumar Agarwal	4,667
3.	Alok Kumar Agarwal	2,666
4.	Sudhir Kumar Agarwal	2,667
	<b>Total</b>	<b>7,70,000</b>

<sup>2</sup>Further Issue of 1,10,000 Equity Shares of face value of Rs. 10/- each fully paid at a Premium of Rs. 40/- per share on March 31, 2010, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Vananchal Tradecom Private Limited	30000
2.	Topstar Marketing Private Limited	40000
3.	Sraboni Sales Private Limited	40000
	<b>Total</b>	<b>1,10,000</b>

<sup>3</sup>Further Issue of 4,99,100 Equity Shares of face value of Rs. 10/- each fully paid at par on February 28, 2012, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Ayesspea Holdings & Investment Limited	4,99,100
	<b>Total</b>	<b>4,99,100</b>

<sup>4</sup>Further Issue of 10,00,000 Equity Shares of face value of Rs. 10/- each fully paid at par on June 26, 2013 by converting unsecured loan, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Seashell Venture Private Limited	10,00,000
	<b>Total</b>	<b>10,00,000</b>

<sup>5</sup>Further Issue of 3,00,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs. 80/- per share on January 13, 2016, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Shalini Alok Kumar Agarwal	15,000
2.	Sudhir Kumar Agarwal	15,000
3.	Jyotsna Pravin Kumar Agarwal	20,000
4.	Ayesspea Holdings & Investment Private Limited	2,00,000
5.	Alok Kumar Agarwal	15,000
6.	Pravin Kumar Agarwal	20,000
7.	Priti Sudhir Kumar Agarwal	15,000
	<b>Total</b>	<b>3,00,000</b>

<sup>6</sup>Bonus Issue of 1,747,915 Equity Shares of face value of Rs. 10/- each fully paid at par on January 15, 2016, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Shalini Alok Kumar Agarwal	40,950
2.	Sudhir Kumar Agarwal	40,950
3.	Jyotsna Pravin Kumar Agarwal	54,600
4.	Yashvikram Infrastructure Private Limited	5,65,500
5.	Ayesspea Holdings & Investment Private Limited	8,40,450
6.	Alok Kumar Agarwal	40,950
7.	Pravin Kumar Agarwal	54,600
8.	Priti Sudhir Kumar Agarwal	40,950
9.	Chandrabhas Shetty	31,525
10.	Vinod Rao	25,610
11.	BhuddhaDev Kar	5,915
12.	Pankaj Gupta	5,915
	<b>Total</b>	<b>17,47,915</b>

<sup>7</sup>Bonus Issue of 88,74,030 Equity Shares of face value of Rs. 10/- each fully paid at par on June 26, 2018, as per the details given below:

Sr. No	Name of Person	No. of Shares allotted
1.	Shalini Alok Kumar Agarwal	20
2.	Sudhir Kumar Agarwal	20
3.	Jyotsna Pravin Kumar Agarwal	2,77,200
4.	Yashvikram Infrastructure Private Limited	28,71,000
5.	Ayesspea Holdings & Investment Private Limited	11,48,458
6.	Alok Kumar Agarwal	20
7.	Pravin Kumar Agarwal	1,138,750
8.	Priti Sudhir Kumar Agarwal	20
9.	Chandrabhas Shetty	1,83,990
10.	Garuda Aviation Services Pvt. Ltd	26,92,080
11.	Bhuddha Dev Kar	30,030
12.	Ramniranjan Bhutra	4,43,702
13.	Shivkumar Singh	88,740
	<b>Total</b>	<b>88,74,030</b>

## 2. Equity Shares issued for consideration other than cash:

- a) Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Reason / Nature of Allotment	Allottees	No. of Shares
June 26, 2013	10,00,000	10	NA	Conversion of Unsecured Loan	Seashell Ventures Pvt Ltd	10,00,000
January 15, 2016	17,47,915	10	NA	Bonus Shares	Shalini Alok Kumar Agarwal	40,950
					Sudhir Kumar Agarwal	40,950
					Jyotsna Pravin Kumar Agarwal	54,600
					Yashvikram Infrastructure Private Limited	5,65,500
					Ayesspea Holdings & Investment Private Limited	8,40,450
					Alok Kumar Agarwal	40,950
					Pravin Kumar Agarwal	54,600
					Priti Sudhir Kumar Agarwal	40,950
					Chandahas Shetty	31,525
					Vinod Rao	25,610
					BhuddhaDev Kar	5,915
Pankaj Gupta	5,915					
June 26, 2018	88,74,030	10	NA	Bonus Shares	Shalini Alok Kumar Agarwal	20
					Sudhir Kumar Agarwal	20
					Jyotsna Pravin Kumar Agarwal	2,77,200
					Yashvikram Infrastructure Private Limited	28,71,000
					Ayesspea Holdings & Investment Private Limited	11,48,458
					Alok Kumar Agarwal	20
					Pravin Kumar Agarwal	1,138,750
					Priti Sudhir Kumar Agarwal	20
					Chandahas Shetty	1,83,990
					Garuda Aviation Services Pvt. Ltd	26,92,080
					Bhuddha Dev Kar	30,030
Ramniranjan Bhutra	4,43,702					
Shivkumar Singh	88,740					

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

4. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 230-234 of the Companies Act, 1956.
5. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
6. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Red Herring Prospectus at a price lower than the Issue price.

## 7. Share Capital Build-up of our Promoter & Lock-in

Our Promoter had been allotted Equity Shares from time to time. The following is the Equity Share capital build-up of our Promoters.

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc.)	Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Transfer Price	% of total Issued Capital		Lock-in Period
						Pre-Issue	Post-Issue	
<b>Mr. Praveen Agarwal</b>								
October 26, 2009	Subscription to MoA	Cash	3,333	10	10	0.025%	[●]	[●]
March 18, 2010	Further Issue	Cash	4,667	10	10	0.035%	[●]	[●]
May 7, 2012	Sale by Transfer	Cash	(8,000)	10	10	(0.06)%	[●]	[●]
July 23, 2015	Acquisition by Transfer	Cash	64,000	10	13	0.481%	[●]	[●]
January 13, 2016	Preferential Issue	Cash	20,000	10	10	0.150%	[●]	[●]
January 15, 2016	Bonus Issue	NA	54,600	10	NA	0.410%	[●]	[●]
January 16, 2016	Acquisition by Transfer	Cash	4,30,775	10		3.236%	[●]	[●]
June 16, 2018	Bonus Issue	NA	11,38,750	10	NA	8.554%	[●]	[●]
<b>TOTAL (A)</b>			<b>17,08,125</b>			<b>12.83%</b>	<b>[●]</b>	<b>-</b>
<b>M/s Yashvikram Infrastructure Private Limited</b>								
March 18, 2010	Further Issue	Cash	7,60,000	10	10	5.709%	[●]	[●]
May 31, 2010	Acquisition by Transfer	Cash	1,10,000	10	10	0.826%	[●]	[●]
January 15, 2016	Bonus Issue	NA	5,65,500	10	NA	4.248%	[●]	[●]
June 26 2018	Bonus Issue	NA	28,71,000	10	NA	21.56%	[●]	[●]
<b>TOTAL (B)</b>			<b>43,06,500</b>			<b>32.35%</b>	<b>[●]</b>	<b>-</b>
<b>Total (A+B)</b>			<b>60,14,625</b>	<b>-</b>	<b>-</b>	<b>45.18%</b>	<b>[●]</b>	<b>-</b>

Note: All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment and none of the Equity Shares held by our Promoters are pledged.



## 6. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI Listing Regulations 2015: -

### Summary of Shareholding Pattern as on date of this Draft Red Herring Prospectus:

Category Code and Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of partly paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C1+C2+C)	Number of Voting Rights held in each class of securities		No. of Shares underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % of assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		No. of Equity Shares held in dematerialized form
						No. of Voting Rights	Total as a % of (A+B+C)			No.	As a % of total shares held	No.	As a % of total shares held	
(A) Promoter & Promoter Group	7	1,21,91,292	-	1,21,91,292	91.58	1,21,91,292	91.58	--	91.58	--	--	--	--	1,21,91,292
(B) Public	6	1,78,215	-	1,78,215	8.42	1,78,215	8.42	--	8.42	--	--	--	--	1,78,215
(C1) Shares underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(C2) Shares held by Employee Trust	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(C) Non – Promoter Non Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>13</b>	<b>1,33,11,045</b>	<b>--</b>	<b>1,33,11,045</b>	<b>100.00</b>	<b>1,33,11,045</b>	<b>100.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,33,11,045</b>

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

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

**Note:**

- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such equity shares.
- In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011 and as on the Date of this Draft Red Herring Prospectus the Equity Shares held by the Promoter / members of the Promoter Group are in dematerialization.

## 8. The Shareholding pattern before and after the Issue:

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No. of Equity Shares	% of Pre-issue Capital	No. of Equity Shares	% of Post-issue Capital
<b>(i) Promoter</b>					
1.	Yashvikram Infrastructure Pvt. Ltd	43,06,500	32.35%	[●]	[●]
2.	Pravin Agarwal	17,08,125	12.83%	[●]	[●]
	<b>Sub-Total (A)</b>	<b>60,14,625</b>	<b>45.18%</b>	[●]	[●]
<b>(ii) Promoter Group</b>					
3.	Jyotsna Pravin Kumar Agarwal	4,15,800	3.12%	[●]	[●]
4.	Ayesspea Holdings & Investment Pvt. Ltd	17,22,687	12.94%	[●]	[●]
5.	Garuda Aviation Services Pvt. Ltd	40,38,120	30.34%	[●]	[●]
6.	Alok Agarwal	30	0.00%	[●]	[●]
7.	Sudhir Agarwal	30	0.00%	[●]	[●]
	<b>Sub Total (B)</b>	<b>71,18,205</b>	<b>46.40%</b>	[●]	[●]
<b>(iii) Public</b>					
8.	Shalini Agarwal	30	0.00%	[●]	[●]
9.	Priti Agarwal	30	0.00%	[●]	[●]
10.	Buddhadev Kar	45,045	0.34%	[●]	[●]
11.	Shivkumar Singh	1,33,110	1.00%	[●]	[●]
12.	Ramniranjan Bhutra	6,65,553	5.00%	[●]	[●]
13.	Chandahas Shetty	2,75,985	2.07%	[●]	[●]
	<b>Sub Total (C)</b>	<b>1,78,215</b>	<b>8.42%</b>	[●]	[●]
	<b>TOTAL (A+B+C+D)</b>	<b>1,33,11,045</b>	<b>100.00</b>	[●]	[●]

Other than the following, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Pravin Agarwal	17,08,125	12.83%
2.	Shivkumar Singh	1,33,110	1.00%
	<b>TOTAL</b>	<b>18,41,235</b>	<b>13.83%</b>

## 9. Details of Major Shareholders

i. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Pravin Agarwal	17,08,125	12.83%
2.	Yashvikram Infrastructure Private Limited	43,06,500	32.35%
3.	Ayesspea Holdings & Investment Private Limited	17,22,687	12.94%
4.	Jyotsna Agarwal	4,15,800	3.12%
5.	Chandahas Shetty	2,75,985	2.07%
6.	Garuda Aviation Services Private Limited	40,38,120	30.34%
7.	Ramniranjan Bhutra	6,65,553	5.00%
8.	Shivkumar Singh	1,33,110	1.00%
	<b>TOTAL</b>	<b>1,32,65,880</b>	<b>99.65</b>

ii. List of Shareholder holding 1.00% or more of the paid-up capital of the company ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Pravin Agarwal	17,08,125	12.83%

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
2.	Yashvikram Infrastructure Pvt Ltd	43,06,500	32.35%
3.	Ayesspea Holdings & Investment Pvt. Ltd	17,22,687	12.94%
4.	Jyotsna Agarwal	4,15,800	3.12%
5.	Chandahas Shetty	2,75,985	2.07%
6.	Garuda Aviation Services Pvt. Ltd	40,38,120	30.34%
7.	Ram Niranjana Bhutra	6,65,553	5.00%
8.	Shivkumar Singh	1,33,110	1.00%
<b>TOTAL</b>		<b>132,65,880</b>	<b>99.65</b>

**iii. List of Shareholder holding 1.00% or more of the paid-up capital of the company one year prior to the date of the Draft Red Herring Prospectus:**

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Pravin Agarwal	5,69,375	13
2.	Yashvikram Infrastructure Pvt Ltd	14,35,500	32.35
3.	Ayesspea Holdings & Investment Pvt. Ltd	21,86,490	49.28
4.	Jyotsna Agarwal	1,38,600	3.12
5.	Chandahas Shetty	91,995	2.07
<b>TOTAL</b>		<b>8,84,392</b>	<b>99.66</b>

**iv. List of Shareholder holding 1.00% or more of the paid-up capital of the company two years prior to the date of the Draft Red Herring Prospectus:**

Sr. No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Alok Agarwal	1,03,950	2.34
2.	Pravin Agarwal	1,38,600	3.12
3.	Sudhir Agarwal	1,03,950	2.34
4.	Yashvikram Infrastructure Pvt Ltd	14,35,500	32.35
5.	Ayesspea Holdings & Investment Pvt. Ltd	21,86,490	49.28
6.	Jyotsna Agarwal	1,38,600	3.12
7.	Shalini Agarwal	1,03,950	2.34
8.	Priti Agarwal	1,18,965	2.68
9.	Chandahas Shetty	91,995	2.07
<b>TOTAL</b>		<b>44,22,000</b>	<b>99.66</b>

10. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert a debentures, loans or other financial instruments into our Equity Shares.
11. Our Company has not made any public issue or right issue since its incorporation.
12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
13. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert a debentures, loans or other financial instruments into our Equity Shares.
14. Our Company has not made any public issue or right issue since its incorporation.
15. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red

Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

16. Except as stated below none of our Promoters, Promoters Group, Directors and their relatives have purchased or sold the equity share of our company during the past six months immediately preceding the date of filing Draft Red Herring Prospectus;

Date of Allotment	Nature of Transaction	Name of Allottee	No of Shares	Consideration	Issue Price
June 26, 2018	Bonus issue	Shalini Agarwal	20	NA	NA
		Sudhir Agarwal	20		
		Jyotsna Agarwal	2,77,200		
		Yashvikram Infrastructure Private Limited	28,71,000		
		Ayesspea Holdings & Investment Private Limited	11,48,458		
		Alok Agarwal	20		
		Pravin Agarwal	1,138,750		
		Priti Agarwal	20		
		Chandahas Shetty	1,83,990		
		Garuda Aviation Services Pvt. Ltd	26,92,080		
		Bhuddha Dev Kar	30,030		
		Ramniranjan Bhutra	4,43,702		
		Shivkumar Singh	88,740		

17. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Red Herring Prospectus.

**18. Lock in of Promoters:**

- a) As per clause (a) Regulation 238 of the SEBI (ICDR) Regulations and in terms of the aforesaid table, an aggregate of [●]% of the post-Issue Equity Share Capital of our Company i.e. [●] equity shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. (“Minimum Promoters’ contribution”).

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of [●] Equity Shares for three years. The Equity Shares that are being locked in are not ineligible for minimum promoters’ contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018. In connection, we confirm the following.

- The equity shares offered for minimum 20% promoters’ contribution have not been acquired in the preceding three years before the date of Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction nor resulted from a bonus issue by utilisation of revaluation reserves or unrealised

profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;

- The minimum promoters Contribution does not include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- The minimum promoters Contribution does not include Equity shares pledged with any creditor.

#### **b) Equity Shares of Promoter locked-in for one year**

In addition to [●]% of the post-Issue shareholding of our Company shall be locked-in for three years as the minimum Promoters' contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. [●] Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering as provided in clause (b) of Regulations 238 of SEBI (ICDR) Regulations, 2018.

#### **19. Lock-in of securities held by persons other than the promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

#### **20. Transferability of Lock-in securities:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, 2018, may be transferred to another Promoters or any person of the promoter group or a new promoter or a person in control of the issuer company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

#### **21. Other requirements in respect of 'lock-in'**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, and the pledge of specified securities is one of the terms of sanction of the loan.

#### **22. Inscription or recording of non-transferability**

In terms of regulations 241 of the SEBI(ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.

**23.** Our Company, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**24.** All the Equity Shares of our Company are fully paid up equity shares as on the date of the Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on

application, all the successful applicants will be issued fully paid-up equity shares.

- 25.** Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.
- 26.** Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
- 27.** Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
- 28.** As per RBI regulations, OCBs are not allowed to participate in this Issue.
- 29.** Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
- 30.** Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
- 31.** An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
- 32.** No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
- 33.** Our Promoter and the members of our Promoter Group will not participate in this Issue.
- 34.** Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of registering Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
- 35.** As on date of this Draft Red Herring Prospectus, our Company have 13 Shareholders.

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of fresh issue of up to 70,00,000 Equity Shares by our Company aggregating up to Rs. [•] Lakhs (“Fresh Issue”)

**Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:**

1. Long term working capital requirements
2. Purchase of machinery / equipment
3. General corporate purposes

*(collectively referred to as “Objects”)*

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

### NET PROCEEDS

The details of the proceeds of the issue are summarized in the table below:

*(Rs in lakhs)*

Particulars	Estimated Amount
Gross Proceeds from the Issue *	[•]
Less: Issue related expenses *	[•]
<b>Net Proceeds from the Issue *</b>	<b>[•]</b>

*\* to be finalized upon determination of the issue price*

### Requirement of funds and utilization of Net Proceeds

*(Rs in lakhs)*

Sr No	Particulars	Estimated Amount
1.	Long term working capital requirements *	[•]
2.	Purchase of machinery / equipment	508.27
3.	General corporate purposes **	[•]
	<b>Total</b>	<b>[•]</b>

% of net proceeds column removed

*\* to be finalized upon determination of the issue price*

*\*\* the amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the issue*

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy as well as external factors which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards general corporate purposes. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of



the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The above estimates are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see section titled “Risk Factors” on page 25 of this Draft Red Herring Prospectus.

Further, we do not intend to utilize the Net Proceeds to procure any second-hand plant and machinery. The Promoter or the Directors or the members of the Promoter Group do not have any interest in the proposed procurement of any plant and machinery or miscellaneous fixed assets or any of the entities from whom we have obtained quotations.

### Schedule of implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

*(Rs in lakhs)*

Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Amount already deployed	Amount to be deployed in Financial Year 2020 <sup>(3)</sup>
Long term working capital requirements	[•]	[•]	-	[•]
Purchase of machinery / equipment	508.27	508.27	-	[•]
General corporate purposes <sup>(2)</sup>	[•]	[•]	-	[•]
<b>Total Net Proceeds from the Issue</b>			-	[•]

<sup>(1)</sup> As certified by M/s Mittal Agarwal & Co., Chartered Accountants, pursuant to their certificate having UDIN 19135505AAAAAF6075 dated March 01, 2019, the Company has not deployed any amount towards issue proceeds.

<sup>(2)</sup> The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the issue

<sup>(3)</sup> As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2020. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2020 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

We confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least seventy five percent of the stated means of finance, excluding the amounts to be raised through the issue.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Meeting long term working capital requirements

Our business is working capital intensive. As on 31<sup>st</sup> March, 2018, our company's net working capital requirement was Rs 1,138.52 Lakhs as against Rs 413.88 lakhs as on 31<sup>st</sup> March, 2017. The net working capital requirement for current financial year 2019 – 2020 is estimated to be Rs [•] lakhs and the incremental working capital requirement of Rs [•] lakhs will be met through the public issue. As on the date of this draft red herring prospectus we meet our working capital requirements of business through internal accruals and financing from banks & unsecured loans.

Basis of estimation of working capital requirement and estimated working capital requirement:

Particulars	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19 (estimated)	FY 2019 – 20 (estimated)
<b>Current Assets</b>				
Inventories	427.10	1,921.22	[•]	[•]
Trade Receivables	1,003.70	2,501.90	[•]	[•]
Cash and Bank Balances	4.74	2.55	[•]	[•]
Short term Loans and Advances	49.59	392.77	[•]	[•]
<b>Total Current Assets (A)</b>	<b>1,485.13</b>	<b>4,818.44</b>	<b>[•]</b>	<b>[•]</b>
<b>Current Liabilities</b>				
Trade Payables	798.93	2,002.51	[•]	[•]
Other Liabilities	112.34	1,066.58	[•]	[•]
Short Term Liabilities	159.98	610.83	[•]	[•]
<b>Total Current Liabilities (B)</b>	<b>1,071.25</b>	<b>3,679.92</b>	<b>[•]</b>	<b>[•]</b>
<b>Net working capital requirements (A – B)</b>	<b>413.88</b>	<b>1,138.52</b>	<b>[•]</b>	<b>[•]</b>
<b>Sources of funds</b>				
<b>Working Capital from Bank</b>	-	<b>151.28</b>	[•]	[•]
Internal Accruals	-	-	[•]	[•]
Balance by Equity	413.88	987.24	[•]	[•]
<b>Total Funding</b>	<b>413.88</b>	<b>1138.52</b>	<b>[•]</b>	<b>[•]</b>
<b>Additional funding through IPO Proceeds</b>				[•]

### Key assumptions for working capital requirements

Particulars	No of days outstanding or holding level as on			Justification
	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19 (assumptions of current year)	
Inventory	33	87	[•]	[•]
Trade Receivables	78	113	[•]	[•]
Trade Payables	72	108	[•]	[•]

### 2. Purchase of machinery / equipment

We propose to utilize Rs 508.27 lakhs towards purchase of machinery / equipment. We are yet to place orders for machineries. We have received a quotation from various vendors for the estimated cost of approximately Rs 508.27 lakhs, the summary of which is as follows

Sr. No.	Description of Machinery	No. of Quantities	Price Per Machine	USD to INR conversion rate	Total Amount (Rs in Lakhs)
<i>Quotation received from – China Electronics Zhejiang Company</i> <i>Date of quotation – 20 Feb 2019</i> <i>Reference no – Invoice No 18A77659, Sales Contract No EVPI4482519A</i> <i>Expected date of supply – upon placing of order</i> <i>Description – CAS 200 Compact Array Spectrometer</i>					
1	2.0 M Integrating Sphere	2.00	33,840	71.00	48.05
2	WY305 Digital CC&CV DC Power Supply 600 KW	2.00	56,000	71.00	79.52
3	PF9811 Digital Power Meter 600 KW	1.00	4,000	71.00	2.84
4	EMS 61000 - 5H Surge Generator	1.00	34,200	71.00	24.28
<i>Quotation received from – China Electronics Zhejiang Company on behalf of manufacturer Juki Automation System Corporation Japan</i> <i>Date of quotation – 18 Feb 2019</i> <i>Reference no – Invoice No 18A77654, Sales Contract No EVPI4482431A</i> <i>Expected date of supply – upon placing of order</i> <i>Description – Long Board SMT Placement Machine JX – 350 with PCB Size 1200 MM X 360 MM</i>					
5	Long Board SMT Placement Machine JX – 350 <sup>(1)</sup>	4.00	75,000	71.00	213.00
<i>Quotation received from – ETA Holdings Company Limited</i> <i>Date of quotation – 20 Feb 2019</i> <i>Reference no – JIN/SMT/WEST/2118</i> <i>Expected date of supply – 4 to 6 weeks after receipt of 30% advance payment</i> <i>Description – ETA Reflow T800T (8+2), inspection conveyors X 1 &amp; linking conveyor X 1</i>					
6	ETA Reflow T800T (8+2), inspection conveyors X 1 & linking conveyor X 1 <sup>(2)</sup>	1.00	1,98,000	71.00	140.58
					<b>508.27</b>

**<sup>(1)</sup> comes with following standard accessories**

- PWB Size – 120 mm X 360 mm (Max) / 50 mm x 50 mm (Min), component height: -12 mm
- Basic configuration placement head (6 heads) LNC60 (Laser recognition head) OCC (offset correction camera)
- Power supply unit emergency stop button
- Frame 3 colors of signal light with buzzer
- PWB transport unit: external shape reference, conveyor height 900 mm
- Operation system – liquid crystal display (with touch panel)
- Communication port – LAN port (1 port), USD Port (2 port)
- Antivirus software (white list type)
- Equipment device
- Feeder float sensor
- Mainline filter (standard equipment for JE / CH machine)
- Support table
- Vacuum pump

Backup pins

Automatic tool changer with 15 nozzles

Optional factory set

Height measurement system (HMS)

In / Out buffer conveyor

Optional feeders

CN081CR 8mm tape feeder unit

FF12NS 12mm tape feeder unit

Consumables

Vacuum pump maintenance kit

Stopper chit B

Grease gun

Grease gun nozzle

Filter inside of nozzle shaft

Conveyor Belt S

Conveyor Belt C

*<sup>(2)</sup> comes with following standard accessories*

No of heating zone - 8 top / 8 bot + 2x

Air cooling (std)

Heating method - hot air and IR

Length of heating zone - 3121 mm

Length of cooling zone - 600 mm

Electric supply required - 3 phase, 380V 50/60 Hz

Control system - PID + Computer

Temp setting range up to 300 deg C

Temp control precision +/- 1.5 deg c

power for warm up - 30 kw

power for consumption - 8 kw

heating element - special heating element for long life

abnormal alarm for temp (extra high / extra low)

mesh belt + chain

Max width PCB - 400 mm

Con direction - L > R (option R > L)

Conv height 900 +/- 20 mm

con speed range 300 - 2000 mm/min

Temp thermocouple slot - standard

on line editing - standard

UPS - std

Board drop alarm - std

SMEMA interface

Optional computer control panel

optional inbuilt stemp down transformer

optional conveyor rail

1.5 mtr inspection conveyor

1.5 mtr link conveyor

### 3. General corporate purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the gross proceeds of the issue.

Our management will have flexibility in applying Rs [•] lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies, repaying long term loans etc. or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

#### ISSUE RELATED EXPENSES

The total expenses of the issue are estimated to be approximately [•] lakhs. The break-up of estimated issue expenses are as follows:

Sr. No.	Activity	Estimated Expenses (Rs. In lakhs)	As a % of estimated issue related expenses	As a % of issue size
1	Lead manager(s) fees including underwriting commission	[•]	[•]	[•]
2	Brokerage, selling commission and upload fees	[•]	[•]	[•]
3	Registrars to the issue	[•]	[•]	[•]
4	Legal Advisors	[•]	[•]	[•]
5	Advertising and marketing expenses	[•]	[•]	[•]
6	Regulators including stock exchanges	[•]	[•]	[•]
7	Printing and distribution of issue stationary	[•]	[•]	[•]
8	Others, if any (market making, depositories etc.)	[•]	[•]	[•]
	<b>Total estimated issue related expenses</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

\* will be incorporated after finalization of the issue price in Prospectus

#### Notes:

1. The fund deployed out of internal accruals up to March 01, 2019 is Rs 20.32 lakhs towards Issue Expenses vide certificate having UDIN 19135505AAAAAD2839 dated March 01, 2019 received from M/s. Mittal Agarwal & Co., Chartered Accountants and the same will be recouped out of issue expenses.

- 2. SCSBs will be entitled to a processing fee of Rs [●] per application form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*
- 3. Selling commission payable to Syndicate Members, Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be Rs [●] on the Applications wherein shares are allotted.*
- 4. The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*
- 5. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*

#### **INTERIM USE OF NET PROCEEDS**

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

#### **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus which are proposed to be repaid from the Net Proceeds.

#### **APPRAISAL REPORT**

The above fund requirements for which the issue proceeds will be utilized are based on internal management estimates and are based on quotations received from vendors and suppliers and have not been financially appraised by lead manager, any financial institutions or banks, and which is subject to change in future.

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

As this is a Fresh Issue for less than Rs 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

#### **VARIATION IN OBJECTS**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special

resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

#### **OTHER CONFIRMATION**

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, associates or Group Companies in relation to the utilization of the Net Proceeds of the Issue.

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

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] per Equity Share has been determined by the Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs. 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computation of Issue Price, are:

- Experienced Management and Operational Team
- Wide array of Quality Products and Services
- Focus on quality and innovation
- Existing relationship with the clients
- Well established central manufacturing facilities
- Pursue International Growth Opportunities
- Having Government contracts
- Strengthen R&D Capabilities & Broaden the Products Portfolio

For further details, refer chapter titled “*Business Overview*” beginning on page 124 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

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

#### 1. Basic and Diluted Earnings per share (EPS) as per Accounting Standard 20:

Year Ended	Basic & Diluted EPS (Rs.)		Basic & Diluted EPS (Rs.)	
	Pre-Bonus	Weight	Post-Bonus	Weight
March 31, 2016	6.31	1	1.84	1
March 31, 2017	6.58	2	1.33	2
March 31, 2018	35.44	3	7.16	3
September 30, 2018*	19.88		4.02	
<b>Weighted Average</b>		<b>20.96</b>		<b>4.33</b>

\*Not annualized

Note:

1. The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of Equity shares outstanding during the period. Restated weighted average number of Equity shares has been computed as per AS 20. The face value of each Equity share is Rs. 10/-.
2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
3. For calculating the number of shares for pre bonus we have not considered

**Formula used for Calculation of EPS is given below:**

$$\text{Basic \& Diluted Earnings Per Share (\text{₹}):} = \frac{\text{Net Profit as restated, attributable to equity shareholders}}{\text{Weighted average number of Equity shares outstanding during the year}}$$



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

Particulars	P/E based on the lower end of the Price Band		P/E based on the upper end of the Price Band	
	Pre Bonus EPS	Post Bonus EPS	Pre Bonus EPS	Post Bonus EPS
P/E ratio for FY 17-18	[●]	[●]	[●]	[●]
P/E ratio based on Weighted average	[●]	[●]	[●]	[●]
<b>*Industry P/E Ratio</b>				
Lowest				NA
Highest				NA
Average				NA

*\*We believe there are no listed peer group comparable companies in India which are engaged in similar line of business of manufacturing and trading of Light Emitting Diode "LED" Lights and LED lighting accessories. Further, there are no listed entities which are focused exclusively on the segment in which we operate.*

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

Return on Net Worth as per Restated Financial Statements is as under:

Year	(%)	Weight
March 31, 2016	23.19	1
March 31, 2017	20.96	2
March 31, 2018	53.20	3
<b>Weighted Average</b>	<b>37.36</b>	-
September 30, 2018	22.92	-

Note: The RoNW has been computed by dividing net profit after tax [after excluding extraordinary items (net of tax)] as restated, by Net Worth as at the end of the respective year excluding extraordinary items (net of tax) and miscellaneous expenditure to the extent not written off.

Formula Used for Calculation of RONW is given below:

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit as restated after tax}}{\text{Net Worth as restated as at the end of the year}}$$

**4. Net Asset Value (NAV):**

**The Net Asset Value per equity share is as under:**

Particulars	Pre Bonus	Post Bonus
Net Assets Value per Equity Share as on March 31, 2018	66.84	40.51
Net Assets Value per Equity Share as on September 30, 2018	86.71	17.52
Net Asset Value per Equity Share after the offer – at Floor Price		[●]
Net Asset Value per Equity Share after the offer – at Cap Price		[●]
Issue Price per Equity Share		[●]

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period. Net worth is calculated as sum of share capital and free

reserves excluding miscellaneous expenses to the extent not written off.

*Formula Used for Calculation of RONW is given below:*

$$\text{Net Asset Value (NAV) per Equity Share:} \quad \frac{\text{Net worth as restated at the end of the year}}{\text{Number of Equity shares as restated outstanding at the end of the year}}$$

#### **5. Comparison with Other Listed Companies:**

We believe that there are no listed peer group comparable companies in India which are purely engaged in the business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. Further, we believe there are no listed entities which are having comparable turnover and are focused exclusively in the segment in which we operate.

The Issue Price of Rs. [●] per Equity Share has been determined by the Company in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs. 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

For further details see section titled ‘Risk Factors’ beginning on the page 25 of this Draft Red Herring Prospectus and financials of the company including profitability and return ratios, as set out in the session titled ‘Financial Statements’ beginning on page 182 of this Draft Red Herring Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
Artemis Electricals Limited  
Mumbai,

Dear Sir

**Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VIII-Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009, as amended (the "Regulations").**

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") (Provisions of Finance Act, 2018), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities will concur with the views expressed herein.

**For, M/s Mittal Agarwal & Company**  
**Chartered Accountants**  
**Firm Registration No.: 131025W**

**Sd/-**  
**(Piyush Agarwal)**  
**Partner**  
**Membership No.:135505**  
**Place: Mumbai**  
**Date: March 01, 2019**

**THE FOLLOWING KEY TAX BENEFITS ARE AVAILABLE TO ARTEMIS ELECTRICALS LIMITED AND THE SHAREHOLDERS UNDER THE CURRENT DIRECT TAX LAWS IN INDIA:**

**A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS**

- I. **Special Benefits available to the Company:** There are no special tax benefits available to the Company.
- II. **Special Benefits available to the Shareholders of Company:** There are no special tax benefits available to the Equity

**B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS**

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 (“the Act”):

**I. Benefits available to the Company**

1. **Depreciation:** As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets (held if any) as explained in the said section and the relevant Income Tax rules there under.
2. **Dividend Income:** Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.
3. **Income from Mutual Funds / Units:** As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:
  - ✓ Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
  - ✓ Income received in respect of units from the Administrator of the specified undertaking; or
  - ✓ Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) —Administrator means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) —Specified Company means a company as referred to in section 2(h) of the said Act.

4. **Income from Long Term Capital Gain:** As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, — Equity Oriented Fund means a fund –

- a) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- b) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

5. As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating — book profits under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

Book Profit	AY 2019-2020		
	Tax	Surcharge	Cess
If book profit is less than or equal to Rs. 1 Crore	18.5%	-	4%
If book profit is more than 1 crore but does not exceed Rs. 10 crore	18.5%	7%	4%
If book profit is more than Rs. 10 Crore	18.5%	12%	4%

6. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
7. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
8. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a — long-term specified asset within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided, that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lacs rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A long term specified asset means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- b) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes

of this section.

9. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)
10. **Preliminary Expenses:** Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.
11. **Credit for Minimum Alternate Taxes ("MAT") :** Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 assessment years immediately succeeding the assessment year in which the MAT credit initially arose.

**II. Benefits to the Resident Shareholders of the Company under the Income Tax Act, 1961:**

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a — long-term specified asset within a period of 6 months after the date of such transfer. If only a part of

the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lacs rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A long term specified asset means any bond, redeemable after three years and issued on or after the 1st day of April, 2006:

- a) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an Individual or a Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
  7. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
  8. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head — Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

### **III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a —long -term specified asset|| within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lacs rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A long term specified asset means any bond, redeemable after three years and issued on or after the 1st day of April, 2006:

- a) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
  6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
  7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed



by the provisions of Chapter XIIA of the Act viz. —Special Provisions Relating to Certain Incomes of Non –Residents which are as follows:

- i. As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
  - ii. As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
  - iii. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
  - iv. As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
  - v. As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

#### **IV. Foreign Institutional Investors (FIIs)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long

term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax
Long Term Capital Gain	10%
Short-Term Capital Gain (Referred to Section 111A)	15%
Short-Term Capital Gain (other than under section 111A)	30%

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

3. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a — long-term specified asset|| within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lacs rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A long term specified asset means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
  6. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held

by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

#### **V. Venture Capital Companies/Funds:**

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

#### **VI. Mutual Funds**

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

#### **Tax Treaty Benefits**

An investor has an option to be governed by the provisions of the Income Tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

**Benefits available under the Gift Tax Act:** Gift tax is not leviable in respect of any gifts made on or after 1<sup>st</sup> October, 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

#### **Notes:**

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
2. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.*

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 25 and 182, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 25. Accordingly, investment decisions should not be based on such information.*

#### **SUMMARY:**

The outlook for the global economy has darkened. Global financing conditions have tightened, industrial production has moderated, trade tensions remain elevated and some large emerging market and developing economies have experienced significant financial market stress. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum. Downside risks have become more acute and include the possibility of disorderly financial market movements. Debt vulnerabilities in emerging market and developing economies, particularly low-income countries, have increased. More frequent severe weather events would raise possibility of large swings in international food prices, which could deepen poverty. In this difficult environment, it is of paramount importance for emerging market and developing economies to rebuild policy buffers while laying a stronger foundation for future growth by boosting human capital, promoting trade integration and addressing challenges associated with informality.

#### **GLOBAL OUTLOOK**

Moderating activity and heightened risks are clouding global economic prospects. International trade and investment have softened, trade tensions remain elevated, and some large emerging market and developing economies (EMDEs) have experienced substantial financial market pressures. Against this less favorable backdrop, EMDE growth has lost momentum, with a weaker-than-expected recovery in commodity exporters accompanied by a deceleration in commodity importers. Downside risks have become more acute. Disorderly financial market developments could disrupt activity in the affected economies and lead to contagion effects. Trade disputes could escalate or become more widespread, denting activity in the involved economies and leading to negative global spillovers. To confront this increasingly challenging environment, an immediate priority for EMDE policymakers is to brace for possible bouts of financial market stress, rebuild macroeconomic policy buffers as appropriate, and tackle adverse debt dynamics, all while sustaining historically low inflation. In the longer run, the need to foster more robust potential growth by boosting human capital, removing barriers to investment, and promoting trade integration remains.



July 15), with solid contributions from consumption and investment.

Activity was supported by strengthening in the agricultural and industrial sectors, and a sustained acceleration in services. There were some signs of rising inflation pressure across the region, and both India and Pakistan raised rates in 2018 to counter the effects of currency depreciation, rising energy prices, and domestic capacity constraints. Throughout the region, private consumption picked up in 2018 while investment remained solid. The solid investment was supported by the fading of a number of temporary disruptions, a revival of credit growth, and ongoing infrastructure projects. Strong domestic demand boosted imports, while exports remained subdued causing current account deficits to widen.

External vulnerabilities are also rising. In Sri Lanka and to some extent in Pakistan, external debt is sizable and current account deficits have deteriorated considerably. Recent currency pressures have eroded Pakistan's foreign exchange reserves significantly they currently amount to only two months of imports.

### **Outlook**

India's GDP is forecast to grow by 7.3% in FY2018/19 and 7.5% thereafter, in line with June forecasts. Private consumption is projected to remain robust and investment growth is expected to continue as the benefits of recent policy reforms begin to materialize and credit rebounds. Strong domestic demand is envisioned to widen the current account deficit to 2.6 % of GDP next year. Inflation is projected to rise somewhat above the midpoint of the Reserve Bank of India's target range of 2 to 6%, mainly owing to energy and food prices. In the rest of the region, economic activity will average 5.6% over the forecast horizon. In Pakistan, macroeconomic imbalances weigh on growth outlook. Pakistan is expected to face financing needs due to large current account and fiscal deficits combined with low international reserves. GDP growth is projected to decelerate to 3.7% in FY2018/19, with financial conditions tightening to help counter rising inflation and external vulnerabilities. Activity is projected to rebound and average 4.6% over the medium term with support from stabilizing macroeconomic conditions.

### **Risk**

The risks to the outlook are tilted downside. Domestic vulnerabilities are being exacerbated by fiscal slippages and rising inflation, escalation in political uncertainty, and the possibility of delays in the needed structural reforms to address weaknesses in balance sheets of banks and nonfinancial corporates. Key external risks include a further deterioration in current accounts and a faster-than-expected tightening of global financing conditions. South Asian economies have high levels of public debt in general. Fiscal slippages could further worsen already-precarious public debt positions and result in a costly rise in already- elevated interest payments. The upcoming election cycle next year elevates political uncertainty in the region. In South Asia, NPAs are still high despite recent measures taken to improve the recognition of these assets. Especially, public sector banks in India, which represent roughly 70% of the banking sector assets, still report low profitability and high NPAs. Credit expansion could be limited in some major South Asia economies unless further steps are taken to deal with financial and corporate balance sheets. On the external front, the region has relatively low exposure to international trade, which limits the benefits from trade over the long term. However, the low exposure also suggests that that it could be more insulated from the effects rising trade protectionism than other regions. Persistent current account deficits and high levels of external debt make the region more vulnerable to a faster-than-expected tightening of global financial conditions. South Asia is one of the most vulnerable regions to natural disasters. In recent years, the number of affected people and geographical areas from natural disasters such as drought, floods, and earthquakes have risen in the region. Increasingly common natural disasters could disrupt infrastructure, agricultural output, and economic activity in general. The realization of these domestic or external risks

could weaken investor confidence and result in capital outflows, currency depreciation leading to rising external debt, a tightening of domestic financing conditions, and a slowdown in regional growth.

[Source: A World Bank Flagship Report, January 2019]

### **A WEAKENING GLOBAL EXPANSION**

- The global expansion has weakened. Global growth for 2018 is estimated at 3.7 %, as in the October 2018 World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 % in 2019 and 3.6 % in 2020, 0.2 and 0.1 percentage point below last October's projections.
- The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018 including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risk have weighed on domestic demand but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.
- Risks to global growth tilt to the downside. An escalation of trade tensions beyond those already incorporated in the forecast remains a key source of risk to the outlook. Financial conditions have already tightened since the fall. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than- envisaged slowdown in China.
- The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing an already slowing global economy. Across all economies, measures to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions are imperatives.

### **Global Growth to Slow in 2019**

Global growth in 2018 is estimated to be 3.7%, as it was last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies. Weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5% in 2019 before picking up slightly to 3.6% in 2020 (0.2 percentage point and 0.1 percentage point lower, respectively, than in the previous WEO). This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels—occurring more rapidly than previously anticipated together with a temporary decline in the growth rate for emerging market and developing economies in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies. Specifically, growth in advanced economies is projected to slow from an estimated 2.3% in 2018 to 2.0% in 2019 and 1.7% in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1 percentage point lower than in the October 2018 WEO, mostly due to downward revisions for the euro area.

- Growth in the euro area is set to moderate from 1.8 % in 2018 to 1.6 % in 2019 (0.3 lower than projected last fall) and 1.7 % in 2020. Growth rates have been marked down for many economies, notably *Germany* (due to soft private consumption, weak industrial production following the introduction of revised auto emission standards, and subdued foreign demand); *Italy* (due to weak



domestic demand and higher borrowing costs as sovereign yields remain elevated); and *France* (due to the negative impact of street protests and industrial action).

- There is substantial uncertainty around the baseline projection of about 1.5 % growth in the *United Kingdom* in 2019-20. The unchanged projection relative to the October 2018 WEO reflects the offsetting negative effect of prolonged uncertainty about the Brexit outcome and the positive impact from fiscal stimulus announced in the 2019 budget. This baseline projection assumes that a Brexit deal is reached in 2019 and that the UK transitions gradually to the new regime. However, as of mid-January, the shape that Brexit will ultimately take remains highly uncertain.
- The growth forecast for the *United States* also remains unchanged. Growth is expected to decline to 2.5% in 2019 and soften further to 1.8% in 2020 with the unwinding of fiscal stimulus and as the federal funds rate temporarily overshoots the neutral rate of interest. The projected pace of expansion is above the US economy's estimated potential growth rate in both years. Strong domestic demand growth will support rising imports and contribute to a widening of the US current account deficit.
- Japan's economy is set to grow by 1.1% in 2019 (0.2 percentage point higher than in the October WEO). This revision mainly reflects additional fiscal support to the economy this year, including measures to mitigate the effects of the planned consumption tax rate increase in October 2019. Growth is projected to moderate to 0.5% in 2020 (0.2 percentage point higher than in the October 2018 WEO) following the implementation of the mitigating measures.

For the emerging market and developing economy group, growth is expected to tick down to 4.5 % in 2019 (from 4.6 % in 2018), before improving to 4.9 % in 2020. The projection for 2019 is 0.2 percentage point lower than in the October 2018 WEO.

- Growth in emerging and developing Asia will dip from 6.5% in 2018 to 6.3% in 2019 and 6.4% in 2020. Despite fiscal stimulus that offsets some of the impact of higher US tariffs, China's economy will slow due to the combined influence of needed financial regulatory tightening and trade tensions with the United States. India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.
- Growth in emerging and developing Europe in 2019 is now expected to weaken more than previously anticipated, to 0.7% (from 3.8% in 2018) despite generally buoyant growth in Central and Eastern Europe, before recovering to 2.4% in 2020. The revisions (1.3 percentage point in 2019 and 0.4 percentage point in 2020) are due to a large projected contraction in 2019 and a slower recovery in 2020 in Turkey, amid policy tightening and adjustment to more restrictive external financing conditions.
- In Latin America, growth is projected to recover over next two years, from 1.1% in 2018 to 2.0 % in 2019 and 2.5% in 2020 (0.2 percentage point weaker for both years than previously expected). The revisions are due to a downgrade in Mexico's growth prospects in 2019-20, reflecting lower private investment & even more severe contraction in Venezuela than previously anticipated. Downgrades are only partially offset by an upward revision to 2019 forecast for Brazil, where gradual recovery from the 2015-16 recession is expected to continue. Argentina's economy will contract in 2019 as tighter policies aimed at reducing imbalances slow domestic demand, before returning to growth in 2020.
- Growth in the Middle East, North Africa, Afghanistan & Pakistan region is expected to remain subdued at 2.4 % in 2019 before recovering to about 3% in 2020. Multiple factors weigh on the region's outlook, including weak oil output growth, which offsets an expected pickup in non-oil activity (*Saudi Arabia*); tightening financing conditions (*Pakistan*); US sanctions (*Iran*); and across several economies, geopolitical tensions.

[Source: World Economic Outlook Update, January 2019 (<https://www.imf.org>)]

### **MARKET AT A GLANCE:**

India, being the second most populous country in the world and fifth major electricity consumer, has been experiencing an ever-widening demand-supply gap in electricity. Consequently, the market for energy-efficient products such as LED lights is bound to grow. All the survey participants felt that the moderately-growing lighting industry will now move at a faster pace, as the government is encouraging the use of LED lights in a big way. Other drivers are the Smart Cities project, and the increasing demand for a smart, connected lifestyle and energy-efficiency measures. According to a report by TechSci (a global research based consulting firm), the LED lighting market in India is projected to register a CAGR of over 30 per cent during 2016-2021. The Electric Lamp and Component Manufacturers Association of India (ELCOMA) shares that the LED market in India is expected to grow to ₹ 216 billion by 2020. This leap will result in the LED market accounting for about 60 per cent of India's total lighting industry (approximately ₹ 376 billion) in 2020. The key factors that are expected to boost the market include falling LED prices coupled with favourable government initiatives that provide LED lights at a subsidised cost and promote LED street lighting projects. Moreover, rising consumer awareness about the cost-effectiveness, enhanced life, better efficiency and inherent eco-friendly nature of LED lights will continue to drive volume sales from the industrial, residential and commercial sectors.

### **Current Opportunities:**

LEDs are versatile products and so can be used for residential lighting, street lighting, downlights, landscaping, monument lighting, signage, traffic signals, security lights, industrial lighting, office space lighting, automotive lighting and much more. Low energy consumption, low costs, modular designs and ease of use have made LED lighting the first choice in industrial, commercial and domestic applications.

According to survey participants, top four demand-generating application areas are:

1. Street lighting
2. Residential lighting
3. Office space lighting
4. Industrial lighting

The demand for streetlights is driven by government initiatives, while in residential and office spaces, demand is mainly driven by increasing consumer awareness about energy-efficient products with more functionalities. In industrial areas, LEDs are used in warehouses, manufacturing floors, etc. In the hazardous work areas across industries, too, most of the new lighting being used is LED based. The demand for LED lighting in India is still mostly driven by its adoption in metro cities, mainly because of better awareness and higher socio-economic growth. However, the demand from Tier-II cities is also expected to grow based on requirements from the street lighting and industrial lighting domains. Currently, though, demand for LED lighting from rural India is still not significant. The government (through EESL) will be implementing the first rural LED street lighting project by retrofitting 1 million conventional streetlights with LED lights in the gram panchayats of seven districts of Andhra Pradesh under the Street Lighting National Project (SLNP). Further the expansion of such initiatives across the country will open up the new markets for the LED lighting industry in the Country therein. According to 57% of the survey participants, retrofit installations are more in demand compared to new installations.

### Emerging Technology Trends:

LED lighting is going to open up immense possibilities not only by lowering energy consumption levels but also enhancing the overall lighting experience with respect to control, monitoring/sensing and connectivity, coupled with the convenience of longer life and improved aesthetics. Survey participants shared some insights about emerging technology trends that will shape the LED lighting market in India. Here is a collation of their views.

- **Smart connected LED lights will be the next big thing:** Lighting systems will get smarter, as the possibility of autonomous, self-commissioning illumination systems is emerging. The industry has been transformed from analogue to digital as LED lighting allows users to control, monitor and measure lighting output. This transformation is taking place across public, home and professional lighting, and the smart connected LED lights will emerge as the largest IoT device segment within the next five to ten years. Control devices, dimmers and wireless lighting with advanced sensors will cater to the needs of modern consumers.
- **Changes in “on board technology”:** This will happen through the use of IC based drivers to support touch-based technology, which is the need of the hour for smart lighting systems. This will also reduce the number of components compared to those used in traditional drivers. Use of fewer components can reduce costs while enhancing the efficiency of the final product.
- **Use of Chip Scale Packaging (CSP) or ‘Flip Chip’ packaging technology:** This will enhance lumen output and also increase the reliability of the final product. Use of CSP eliminates the traditional sub-mount, directly attaching the LED die to the PCB, allowing for overall system cost reductions.
- **Introduction of driverless low voltage direct current (LVDC) operated products:** This will enable energy saving by reducing AC-DC current conversion losses. It will also make the products compatible with solar photovoltaic systems, helping them run as LED-solar hybrid systems, which will be quite effective in India.
- **Shift in manufacturing techniques from through-hole to surface mount technology (SMT):** This will enhance efficiency while reducing operational costs. This, in turn, will help achieve break-even points quickly, in spite of a relatively higher capex.

### Moving Forward:

The immediate challenges that could derail the growth of this industry in India are as follows:

- Mushrooming low quality, unauthorised manufacturing units making sub-standard products, and low-cost Chinese imports of poor quality could result in low consumer confidence.
- Lack of awareness among consumers as well as institutional buyers about the efficiency of LEDs with respect to lux, wattage, life expectancy, etc. This results in the use of products with higher wattage but lower efficiency.
- The inability to make LED chips and micro-chips, resulting in their being imported at high cost. This also limits the development of a wider variety of LED light fixtures, reducing the number of colours used, apart from hampering performance and crippling innovations in LED lighting.
- Absence of a sufficient number of LED packaging units, resulting in a high dependence on imports.
- Use of inefficient drivers, resulting in higher energy usage as well as product failure.

[Source: <https://www.electronicb2b.com>]

## **ABOUT INDIAN ECONOMY GROWTH RATE & STATISTICS**

### **Introduction**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

### **Market Size**

India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19. During the first half of 2018-19, GDP (at constant 2011-12 prices) grew by 7.6 per cent. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 393.29 billion in the week up to December 21, 2018, according to data from the RBI.

### **Recent Developments**

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

- Exports from India increased 15.48 per cent year-on-year to US\$ 351.99 billion in April-Nov 2018.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) stood at 53.2 in December 2018, showing expansion in the sector.
- Mergers and Acquisitions (M&A) activity in the country has reached US\$ 82.1 billion in 2018 (up to November).
- Income tax collection in the country reached Rs 2.50 lakh crore (US\$ 35.88 billion) between April-November 2018.
- Companies in India have raised around US\$ 5.52 billion through Initial Public Offers (IPO) in 2018 (up to November).
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 389.60 billion between April 2000 and June 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 5.6 per cent year-on-year in April-October 2018.
- Consumer Price Index (CPI) inflation rose moderated to 2.33 per cent in November 2018 from 3.38 per cent in October 2018.
- Around 10.8 million jobs were created in India in 2017.
- India has improved its ranking in the World Bank's Doing Business Report by 23 spots over its 2017 ranking and is ranked 77 among 190 countries in 2019 edition of the report.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr. Mohan Das, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4%, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- India is expected to retain its position as world's leading recipient of remittances in 2018, with total remittances touching US\$ 80 billion, according to World Bank's Migration & Development Brief.

## **Government Initiatives**

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 196.94 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 81.99 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors. India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO). Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on 3 core components: creation of digital infrastructure, delivering services digitally and to increase digital literacy. Some of the recent initiatives and developments undertaken by the government are listed below:

- National Institute for Transforming India (NITI) Aayog released a strategic document titled "Strategy for New India @75" to help India become a US\$ 4 trillion economy by FY23.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Village electrification in India was completed in April 2018 and around 22.43 million households have been electrified up to December 17, 2018 under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA). Moreover, 100 per cent household electrification has already been achieved in 25 states, as of December 2018.
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).
- The target of an Open Defecation Free (ODF) India will be achieved by October 2, 2019 as adequate funding is available to the Swachh Bharat Mission (Gramin), according to Ms. Uma Bharti, Minister of Drinking Water and Sanitation, Government of India.
- The Government of India is going to increase public health spending to 2.5% of GDP by 2025.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years. As of November 2018, Rs 82,000 crore (US\$ 11.75 billion) has already been infused and the government is planning to infuse Rs 42,000 crore (US\$ 6.02 billion) more by March 2019.

- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.

### **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalisation, favourable demographics, and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST). India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

### **INDIAN ECONOMY DEVELOPMENT AND GROWTH REPORT**

During November 2018, production of eight core infrastructure industries grew by 3.5% year-on-year, as compared to 6.9% growth in November 2017. The growth of eight core industries during April–November 2018 was 5.1%, as compared to 3.9% growth during April–November 2017. Overall year-on-year growth in the Index of Industrial Production (IIP) was 8.1% in October 2018, which was at 1.8% in October 2017. During April–October 2018, IIP growth stood at 5.6% as compared to growth of 2.5% during April–October 2017. Foreign exchange reserves stood at US\$ 393.7 billion as on November 30, 2018, as compared to US\$ 424.5 billion at end March 2018. For the fortnight ended on November 23, 2018, Broad money supply (M3) grew by 10.4 % year-on-year, as compared to a growth of 8.4% recorded in the corresponding period in the previous year. Wholesale Price Inflation (WPI) decreased to 4.6% in November 2018 from 5.3% in October 2018. Consumer Price Inflation (CPI) as per new series (combined) decreased to 2.3% in November 2018 from 3.4% in October 2018. Gross Tax Revenue (GTR) collection grew by 7.1% year-on-year in April–November 2018 to Rs 1,164,685 crore (US\$ 166.55 billion). As per the quarterly estimates, the growth of Gross Domestic Product (GDP) at constant (2011-12) market prices stood at 7.1%, during April–September 2018. Provision estimates of (GDP) released by the Central Statistics Office (CSO) in May 2018, estimated the growth rate of GDP at constant (2011-12) market prices for FY 2017-18 at 6.7%. As per the first revised estimates of national income released by CSO in 2017-2018, growth rate of Gross Domestic Product (GDP) at constant (2011-12) market prices was 7.1% in 2016-17 and 8.2% in 2015-16. The growth of Gross Value Added (GVA) at constant (2011-12) basic prices for agriculture and allied sectors, industry sector and services sector are estimated at 3.4%, 5.5% and 7.9% respectively for 2017-18.

*[Source: Indian Economic Overview and Monthly Report, January 2019 (<https://www.ibef.org>)]*

### **Light-Emitting Diode (LED):**

A light-emitting diode (LED) is a semiconductor light source that emits light when current flows through it. Electrons in the semiconductor recombine with electron holes, releasing energy in the form of photons. This effect is called electroluminescence. The color of the light (corresponding to the energy of the photons) is determined by the energy required for electrons to cross the band gap of the semiconductor. White light is obtained by using multiple semiconductors or a layer of light-emitting phosphor on the semiconductor device. LED is one of today's most energy-efficient and rapidly-developing lighting

technologies. Quality LED light bulbs last longer, are more durable & offer better light quality than other types of lighting.

### **Energy Savings:**

LED is a highly energy efficient lighting technology, and has the potential to fundamentally change the future of lighting in the US. Residential LEDs, especially ENERGY STAR rated products, use at least 75% less energy & last 25 times longer, than incandescent lighting. Widespread use of LED lighting has greatest potential impact on energy savings in the US. By 2027, widespread use of LEDs could save about 348 TWh (compared to no LED use) of electricity: This is the equivalent annual electrical output of 44 large electric power plants (1000 megawatts each) & a total savings of more than \$30 billion at today's electricity prices.

### **How LEDs are different:**

LED lighting is very different from other lighting sources such as incandescent bulbs and CFLs. Key differences include the following:

- Light Source: LEDs are the size of a fleck of pepper, and a mix of red, green, and blue LEDs is typically used to make white light.
- Direction: LEDs emit light in a specific direction, reducing the need for reflectors and diffusers that can trap light. This feature makes LEDs more efficient for many uses such as recessed downlights and task lighting. With other types of lighting, the light must be reflected to the desired direction and more than half of the light may never leave the fixture.
- Heat: LEDs emit very little heat. In comparison, incandescent bulbs release 90% of their energy as heat and CFLs release about 80% of their energy as heat.

### **Initial Commercial Development:**

The first commercial LEDs were commonly used as replacements for incandescent and neon indicator lamps, and in seven-segment displays, first in expensive equipment such as laboratory and electronics test equipment, then later in such appliances as calculators, TVs, radios, telephones, as well as watches (see list of signal uses). Until 1968, visible and infrared LEDs were extremely costly, in the order of US\$200 per unit, and so had little practical use. The Monsanto Company was the first organization to mass-produce visible LEDs, using gallium arsenide phosphide in 1968 to produce red LEDs suitable for indicators. Hewlett-Packard (HP) introduced LEDs in 1968, initially using GaAsP supplied by Monsanto. These red LEDs were bright enough only for use as indicators, as the light output was not enough to illuminate an area. Readouts in calculators were so small that plastic lenses were built over each digit to make them legible. Later, other colors became widely available and appeared in appliances and equipment. In the 1970s commercially, successful LED devices at less than five cents each were produced by Fairchild Optoelectronics. The combination of planar processing for chip fabrication and innovative packaging methods enabled the team at Fairchild led by optoelectronics pioneer Thomas Brandt to achieve the needed cost reductions. LED producers continue to use these methods

*[Source: <https://www.energy.gov> & <https://www.wikipedia.org>]*

**Over 21 lakh LED Street Lights installed across India under Street Light National Programme**

Scheme is being implemented in 23 States and Union Territories

Annual energy savings of 295 million units

Under the Government of India's **Street Lighting National Programme (SLNP)** over 21 lakh conventional street lights have been replaced with LED street lights across the country. The newly installed lights have led to brighter streets, feeling of enhanced safety and security among the residents and motorists. Energy Efficiency Services Limited, a Public Energy Services Company under the administration of Ministry of Power, Government of India (GoI) is the implementing agency for SLNP.

The installation of LED street lights has resulted in Annual energy savings of 295 million unit kWh, avoided capacity of over 73MW & reduction of 2.3 lakh tonnes of CO<sub>2</sub> annually. The project has been **implemented across 23 states and union territories**. The lighting level on roads have increased significantly after the replacement. The highest replacement of LED lights has happened in the following states:

State	Number of Street Lights	Energy Saved per year (kWh)
Rajasthan	7,04,891	99,054,808
Andhra Pradesh	5,86,037	82,352,849
Delhi	2,64,185	37,124,579
Gujarat	2,00,536	28,180,321
Goa	94,856	13,329,639

EESL is also implementing a special heritage lighting project, wherein 1000 LED street lights have been installed in Kashi region of Uttar Pradesh, and another 4000 lights are being installed.

The procurement price of the LED Street Lights has been reduced from Rs. 135/watt to Rs. 80/watt due to mass procurement of the lights. EESL makes the entire upfront investment in installation of the Street Lights and no additional budget allocation from the Municipalities is required. Municipalities pay EESL from the savings in energy and maintenance cost over a 7 year period, making the LED lights affordable and accessible. EESL also undertakes social audits in all states post the completion of the project.

EESL procurements conform to BIS specification & carry a 7 year warranty against technical defects. EESL conducts appropriate quality checks right from the bidding stage to the field level. This has resulted in the LEDs' overall technical fault being less than 1% in the 21 lakh lights installed by EESL in the country. EESL has maintained an uptime of 95% for all street lights across the country.

Shri Narendra Modi launched 100 cities National Programme on 5th January 2015 to convert conventional street and domestic lights with energy efficient LED lights. Under Street Light National Programme (SLNP), GoI aims to replace 1.34 crore conventional street lights with energy efficient LED lights.



**Press Information Bureau  
Government of India  
Prime Minister's Office**

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05-Januray-2015 12:29 IST

**PM launches: Scheme for LED bulb distribution under domestic lighting programme in Delhi  
National Programme for LED-based Home and Street Lighting**

Prime Minister Narendra Modi today described the LED bulb as a “Prakash Path” – “way to light,” as he launched a scheme for LED bulb distribution under the domestic efficient lighting programme in Delhi; and a National Programme for LED-based Home and Street Lighting.

The Prime Minister also symbolically replaced one bulb in South Block, with an LED bulb. Replacement of all bulbs in South Block with LED bulbs will enable savings of 7000 units of energy each month. Speaking on the occasion, the Prime Minister called for making energy conservation through the spread of LED bulbs, a people’s movement. However, he added, it is much more difficult to conserve power, than to produce power, because while one producing entity can produce a large quantity of power, it requires the active participation of crores of people to conserve that amount of power. Therefore, he called for generating awareness among people for the same. He called for extensive involvement of celebrities and eminent citizens in these programmes, who could motivate people to adopt LED bulbs.

The PM said these programmes launched today also represent a challenge to manufacturers, to rise to occasion and produce LED bulbs without any compromise on quality. Suggesting innovative ways to generate awareness, spread message of energy efficiency, PM said gifts as calendars on New Year should be replaced by gifts of LEDs. Companies could distribute LED bulbs along with dividend payments, he suggested.

The PM called for setting district level goals, and to prioritize this scheme in all towns with population above one lakh. The PM said involvement of entrepreneurs, eminent citizens and common people in this programme would represent an act of patriotism – as it would reduce import bills, and an act of social service – as it would save the environment. Initiative is part of the Government’s efforts to spread message of energy efficiency in the country. LED bulbs have a very long life, almost 50 times more than ordinary bulbs and 8-10 times that of CFLs therefore provide both energy and cost savings in the medium term. The Prime Minister launched a web-based system to enable consumers in Delhi to register requests for procuring LED bulbs under Domestic Efficient Lighting Programme”. Consumers can register either through website ([www.eeslindia.org/Delhi-Launch](http://www.eeslindia.org/Delhi-Launch)) or by sending an SMS to a designated number. Shri Narendra Modi handed over two LED bulbs to one common citizen of Delhi – who was the first person to register.

LED bulbs shall be distributed in a phased manner from March 2015 onwards. The entire project of installing LED bulbs for domestic and street-lighting in 100 cities is targeted for completion by March 2016. In Delhi, LED bulbs will be provided to all consumers at an initial payment of Rs. 10 each and recovery of Rs. 10 each for 12 months from their electricity bill. Cost to consumer will be Rs 130 through this programme, compared to current open market retail price in range of Rs. 350-600 for LED bulbs. Estimated annual savings for households in Delhi per LED bulb will be Rs. 162. LED bulbs will have a warranty of 3 years.

Lt. Governor of Delhi Shri Najeeb Jung, Union Minister for Science and Technology Dr. Harsh Vardhan, and Union MoS(I/C) for Power Shri Piyush Goyal were present on the occasion. MPs from Delhi were also present on the occasion.

### **National Led Bulbs Scheme Gets a New Face in 'UJALA'**

Shri Piyush Goyal Union Minister of State (IC) for Power, Coal and New & Renewable Energy here today announced the name 'UJALA' for the LED based Domestic Efficient Lighting Programme (DELP), which is currently running successfully in over 120 cities across India. UJALA, an acronym for *Unnat Jyoti by Affordable LEDs for All*, is being implemented by Energy Efficiency Services Limited (EESL).

The National LED programme was launched by the Hon'ble Prime Minister on January 2015 with a target of replacing 77 crore incandescent lamps with LED bulbs. UJALA is successfully running across 12 states in India namely Rajasthan, Maharashtra, Karnataka, Kerala, Uttar Pradesh, Himachal Pradesh, Delhi, Andhra Pradesh, Puducherry, Jharkhand, Bihar and Uttarakhand. While more states are expected to join the initiative very soon.

Speaking on the occasion, Shri Piyush Goyal said that Ujala will give new life to already successful DELP programme. He also appreciated EESL team for successful distribution of LED bulbs across India

EESL has already distributed over 7.47 crore LED bulbs across the country resulting in energy savings of more than 2.66 crore kWh every day and has helped avoid peak demand of over 1944 MW. This has helped in reduction of over 21,550 tonnes of CO2 per day which is estimated to have a cost savings of Rs 10.64 crore per day.

*[Source: Print Release - <http://pib.nic.in> ]*

## **INDIAN POWER SECTOR ANALYSIS**

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 1,201.543 Billion Units (BU) during FY18.

Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to achieve 175 GW installed capacity of renewable energy by FY22. Wind energy is the largest source of renewable energy in India, accounting for 48.08 per cent (34.62 GW)\* of total installed renewable capacity (72.01 GW)\*. There are plans to double wind power generation capacity to 60 GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100 GW by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019. As of August 2018, 194.2 million households out of 219.2 million households were electrified and the remaining 25.0 million households are expected to be electrified by end March 2019, under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana - "Saubhagya" scheme. The Government of India has been supportive to growth in the power sector. As of September 2018, the Government of India launched a voluntary based programme to promote energy efficient chiller systems in India. It labels the energy performance by providing star ratings and will be effective up to December 31, 2020.

The Cabinet Committee on Economic Affairs (CCEA) has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritising transparency, ease of doing business and ensuring the use of natural resources for national development.

The Government of India is planning to invite bids for the largest solar tender in the world, for installing 20 gigawatts (GW) of solar power capacity, to give a boost to manufacturing of solar power equipment in India.

### **Introduction**

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

### **Market Size**

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). Total installed capacity of power stations in India stood at 346.62 Gigawatt (GW) as of November 2018.

## **Investment Scenario**

Between April 2000 and June 2018, the industry attracted US\$ 14.18 billion in Foreign Direct Investment (FDI), accounting for 3.64 per cent of total FDI inflows in India. Some major investments and developments in the Indian power sector are as follows:

- In November 2018, Renascent Power Ventures Pte Ltd acquired 75.01 per cent stake in Prayagraj Power Generation Company Limited (PPGCL) for US\$ 854.94 million.
- In August 2018, Kohlberg Kravis Roberts & Co (KKR) acquired Ramky Enviro Engineers Limited for worth US\$ 530 million.
- In April 2018 Renew Power made the largest M&A deal by acquiring Ostro Energy for US\$ 1,668.21 million.

## **Government Initiatives**

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- As of September 2018, a draft amendment to Electricity Act, 2003 has been introduced. It discusses separation of content & carriage, direct benefit transfer of subsidy, 24\*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent by FY19.
- As of August 2018, the Ministry of New and Renewable Energy set solar power tariff caps at Rs 2.50 (US\$ 0.04) and Rs 2.68 (US\$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.
- The Government of India approved National Policy on Biofuels – 2018, the expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

## **Achievements**

Following are the achievements of the government in the past four years:

- India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.
- Energy deficit reduced to 0.7 per cent in FY18 from 4.2 per cent in FY14.
- As of April 28, 2018, 100 per cent village electrification achieved under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY).

## **The Road Ahead**

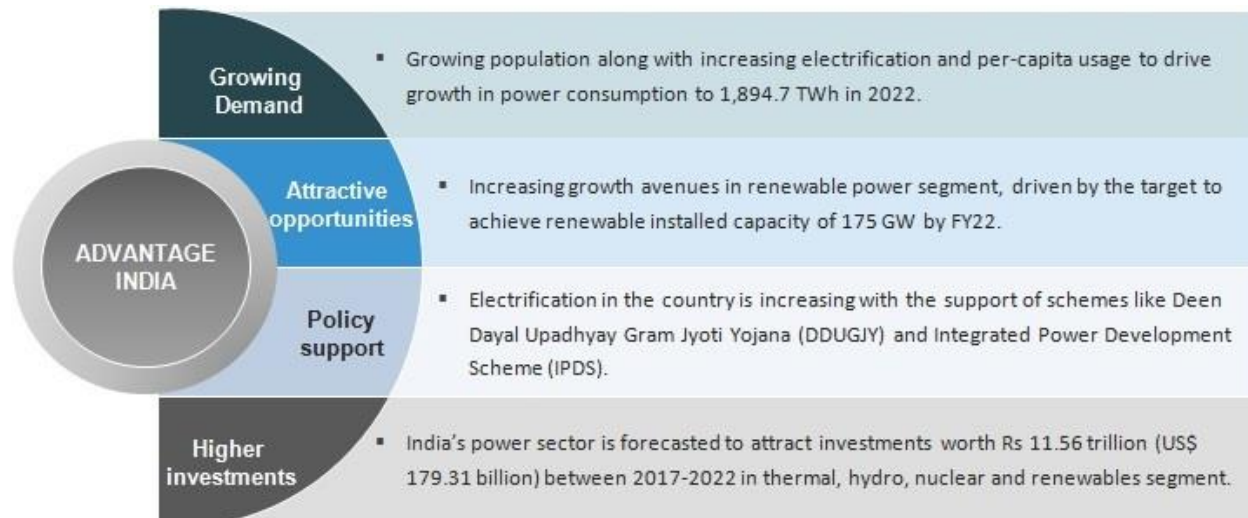
The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 190.29\*GW is expected to reach 330-441 GW by 2040.

India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US\$ 6.23 billion) on an annual basis.

All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019, as per the Ministry of Power and New & Renewable Energy, Government of India.

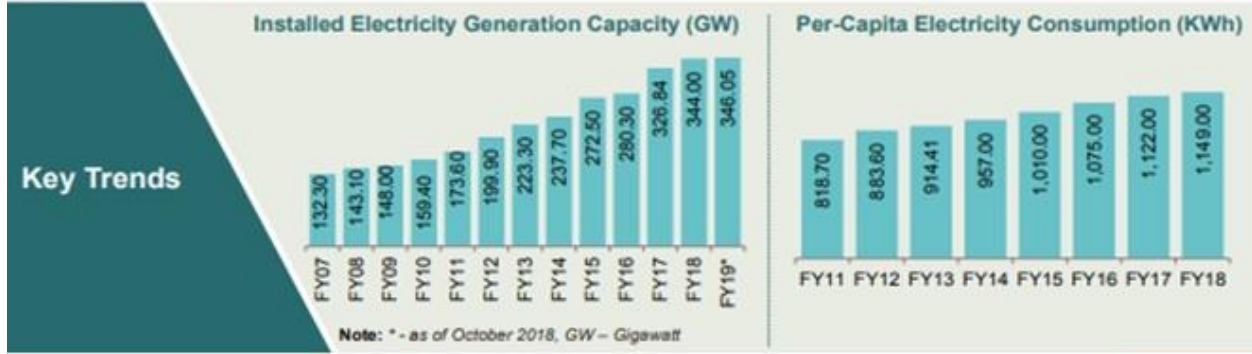
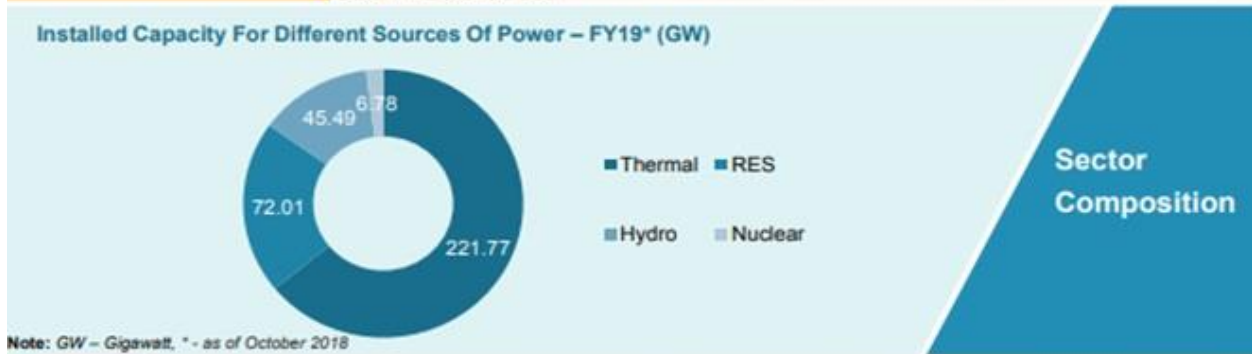
**Advantage India:**



**Report:**

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 1,201.543 Billion Units (BU) during FY18. Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to achieve 175 GW installed capacity of renewable energy by FY22. Wind energy is the largest source of renewable energy in India, accounting for 48.08 per cent (34.62 GW)\* of total installed renewable capacity (72.01 GW)\*. There are plans to double wind power generation capacity to 60 GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100 GW by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019. As of December 20, 2018, a total of 18 states have achieved 100 per cent household electrification. The Government of India has been supportive to growth in the power sector. As of September 2018, the Government of India launched a voluntary based programme to promote energy efficient chiller systems in India. It labels the energy performance by providing star ratings and will be effective up to December 31, 2020. The CCEA has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritising transparency, ease of doing business and ensuring the use of natural resources for national development. GoI is planning to invite bids for the largest solar tender in the world, for installing 20 gigawatts of solar power capacity, to give a boost to manufacturing of solar power equipment in India.

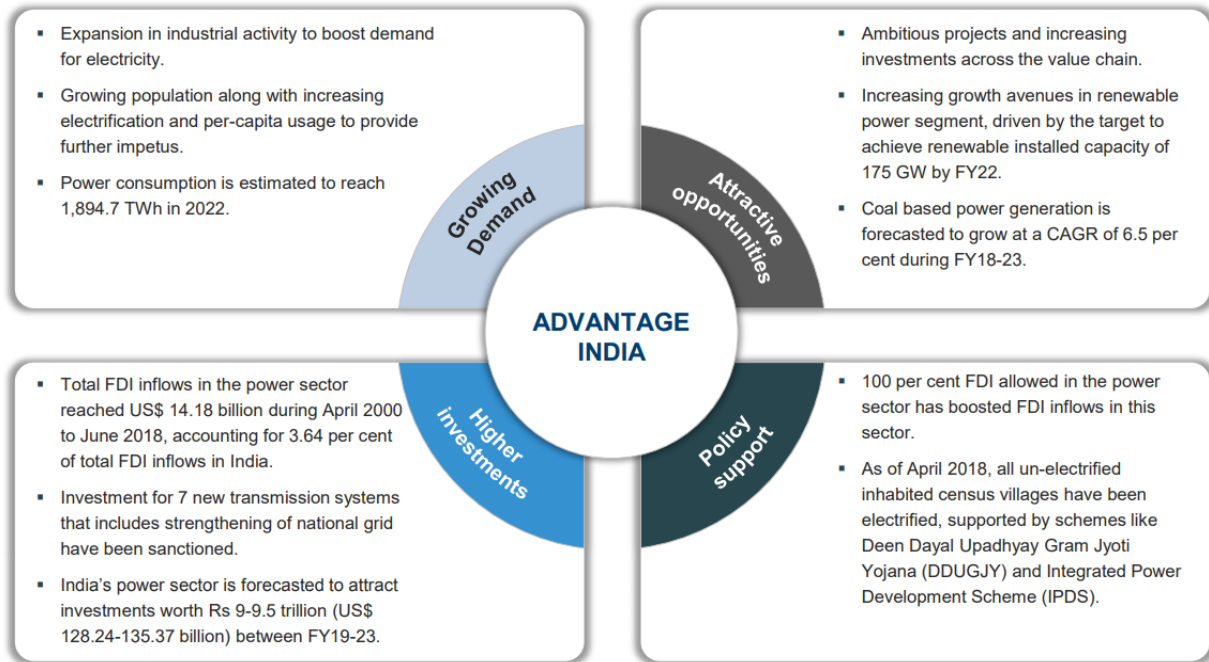
**Infographic:**



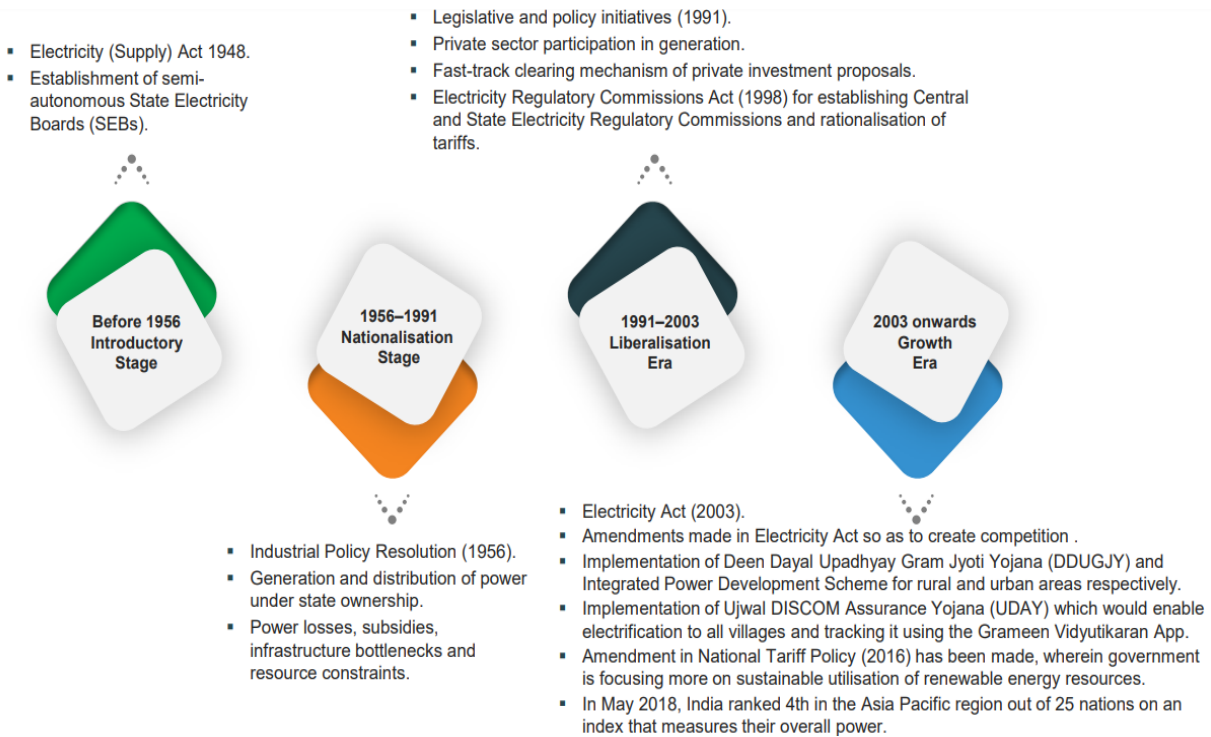
**Government Initiatives**



## Advantage India:



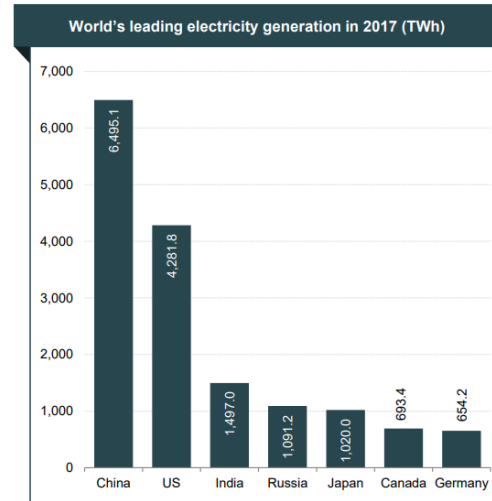
## Evolution of the Indian Power Sector:





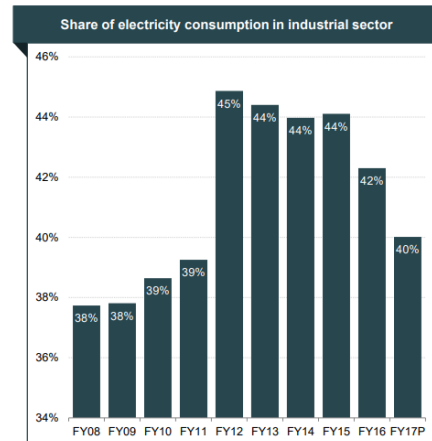
### India Among Top Four Power Generating Nations

- With a generation of 1,497 TWh, India is the third largest producer and the third largest consumer of electricity in the world.
- Although power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity.
- India to become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US\$ 6.23 billion) on an annual basis.
- India's energy firms have made significant progress in the global energy sector, according to the latest S&P Global Platts Top 250 Global Energy Rankings, with 10 out of 14 Indian energy companies making it to the list and RIL and IOC ranking third and seventh.

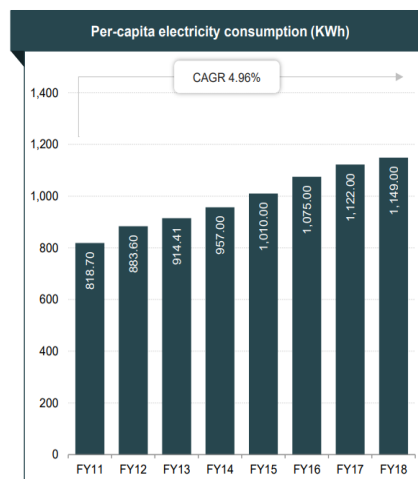


### Industrial Expansion and Strong GDP Growth Driving Power Demand:

- Multiple drivers (industrial expansion, growing per-capita incomes) are leading to growth in power demand; this is set to continue in the coming years. India is set to become a global manufacturing hub with investments across the value chain.
- India's power demand is expected to rise up to 1,905 TWh by FY22.
- Industrial sector had a share of 40 per cent of the total electricity consumption in FY16-17P.



- All India power generation reached 822.81 BU between April to November 22, 2018.
- Future investments will benefit from strong demand fundamentals, policy support and increasing government focus on infrastructure.
- Per capita electricity consumption in the country grew at a CAGR of 4.96 per cent, during FY11-FY18, reaching 1,149 KWh in FY18.



### Policy Support and Initiatives:

<b>National Policy on Biofuels - 2018</b>	<ul style="list-style-type: none"> <li>• In May 2018, the GoI approved National Policy on Biofuels – 2018.</li> <li>• The expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas.</li> </ul>
<b>Ultra-Mega Power Projects (UMPPs)</b>  <b>R-APDRP</b>	<ul style="list-style-type: none"> <li>• Launch of the UMPP scheme through tariff-based competitive bidding.</li> <li>• Ease of land possession, provision of fuel, water and necessary clearances for enhancing investor confidence.</li> <li>• R-APDRP was launched by Ministry of Power with the purpose of reducing AT&amp;T losses up to 15 per cent by upgradation of transmission and distribution network.</li> <li>• Linking disbursement of CG funds (to states), with actual reduction in transmission and distribution losses. Sanctioned projects of more than US\$ 5.8 billion.</li> </ul>
<b>Saubhagya Scheme</b>	<ul style="list-style-type: none"> <li>• The Pradhan Mantri Sahaj Bijli Har Ghar Yojana- “Saubhagya”, launched by the GoI with the aim of achieving universal household electrification . As of August 2018, 194.2 million households out of 219.2 million households were electrified and the remaining 25.0 million households are expected to be electrified by end March 2019. As of December 20, 2018, a total of 18 states have achieved 100 per cent household electrification.</li> <li>• Under the Union Budget 2018-19, the Government of India has allocated Rs 16,000 crore (US\$2.47 billion) towards this scheme.</li> </ul>
<b>UJALA Scheme</b>	<ul style="list-style-type: none"> <li>• Over 280 million LED bulbs were distributed to consumers in India by Energy Efficiency Services Limited (EESL) under Unnati Jyoti by Affordable LEDs for All (UJALA) as on December 19, 2017 and 524.3 million LED bulbs were sold by private players till October 2017.</li> </ul>
<b>Energy Conservation Campaign</b>	<ul style="list-style-type: none"> <li>• Replacing nationwide street lights with LED lights.</li> <li>• Plan to save 10 per cent energy that would light up 11 crore lives.</li> <li>• Replacing 1 crore bulbs in Delhi within one year.</li> </ul>

<b>Power to the people</b>	<ul style="list-style-type: none"> <li>•The Union Budget 2018-19 has allocated Rs 3,800 crore (US\$ 586.96 million) towards the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Rs 4,900 crores (756.87 million) towards Integrated Power Development Scheme (IPDS).</li> </ul>
<b>Ujwal Discoms Assurance Yojana (UDAY)</b>	<ul style="list-style-type: none"> <li>•It was launched by the GoI to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical &amp; Commercial (AT&amp;C) losses to 15 per cent by FY19.</li> <li>•The Government of India has signed four Memorandum of Understanding (MoU) with the state of Nagaland and Union Territories (UTs) of Andaman &amp; Nicobar Islands, Dadra &amp; Nagar Haveli &amp; Daman &amp; Diu under the Ujwal DISCOM Assurance Yojana (UDAY) to improve operational efficiency of electricity departments in these places.</li> </ul>
<b>Boost to manufacturing</b>	<ul style="list-style-type: none"> <li>•To create potential for domestic manufacturers and developers, Government of India will auction 40 GW of renewable energy projects including 30 GW solar and 10 GW wind every year till 2028.</li> </ul>
<b>Other Initiatives</b>	<ul style="list-style-type: none"> <li>•As of September 2018, the GoI launched a voluntary based programme to promote energy efficient chiller systems in India. It labels the energy performance by providing star ratings and will be effective up to December 31, 2020.</li> <li>•As of September 2018, a draft amendment to Electricity Act, 2003 has been introduced. It discusses separation of content &amp; carriage, direct benefit transfer of subsidy, 24*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter &amp; Prepaid Meters along with regulations related to same.</li> </ul>
<b>Direct Benefit Transfer (DBT) Scheme</b>	<ul style="list-style-type: none"> <li>•The Union and state governments have agreed to implement the Direct Benefit Transfer (DBT) scheme in the electricity sector for better targeting of subsidies.</li> </ul>
<b>Vision '24x7' Power for All'</b>	<ul style="list-style-type: none"> <li>•All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019, as per the Ministry of Power and New &amp; Renewable Energy, Government of India.</li> </ul>
<b>No environment clearance required for solar projects</b>	<ul style="list-style-type: none"> <li>•The Ministry of Environment, Forest and Climate Change, Government of India has clarified that solar PV (photovoltaic) power, solar thermal power projects, and solar parks will not require the environment clearance which was mandatory under the provisions of Environment Impact Assessment (EIA) notification, 2006.</li> </ul>
<b>Green Energy Corridor Project</b>	<ul style="list-style-type: none"> <li>•Under the Union Budget 2018-19, the Government of India has allocated Rs 4,200 crore (US\$ 648.75 billion) to increase capacity of Green Energy Corridor Project along with other wind and solar power projects.</li> </ul>

<b>Tariff</b>	<ul style="list-style-type: none"> <li>• Feed – in Tariff, scheme used for promoting generation of electricity from renewable energy sources. It allows Power Producers to sell renewable energy generated electricity to an off – taker at a pre – determined tariff for a given period of time.</li> <li>• As of August 2018, the Ministry of New and Renewable Energy set solar power tariff caps at Rs 2.50 (US\$ 0.04) and Rs 2.68 (US\$ 0.04) unit for developers using domestic, and imported solar cells and modules, respectively</li> </ul>
<b>Rent a roof policy</b>	<ul style="list-style-type: none"> <li>• The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts of power through solar rooftop projects by 2022.</li> </ul>

*[Source: IBEF Presentation on Power, Dec 2018 (Make in India website, Ministry of New and Renewable Energy, IEA, Central Electricity Authority, Aranca Research, Assorted articles; CEA: MNRE, Corporate Catalyst India, IFLR; BP Statistical Review World Energy 2018; Ministry of Statistics and Program Implementation, CEA; Ministry of Power; News articles; Press Releases, Press Information Bureau, RNCOS Report, Department of Industrial Policy and Promotion (DIPP)]*

## **BUSINESS OVERVIEW**

Our Company was originally incorporated as a Private Limited Company under the provisions of Companies Act, 1956 and registered with the Registrar of Companies, Mumbai, Maharashtra with the name “Artemis Electricals Private Limited” on October 26, 2009. Subsequently, our company was converted into public limited company pursuant to special resolution passed by our shareholders dated July 25, 2015 and name of company was changed to “Artemis Electricals Limited” to reflect the legal status of our Company pursuant to issuance of fresh certification of incorporation granted by the Registrar of Companies Mumbai, dated August 27, 2015.

Our Company since incorporation is into the business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. We are dependent on third party for manufacturing of LED bulbs. Our Company manufactures and trades indoor and outdoor LED luminaries such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights, Down lights, Garden lights, pavement / walk through indication lights, etc. The application of our products is in spaces like general lighting, architectural, residential, office, industrial, shop, hospitality, and outdoor. Our Product basket consist of solutions across the LED luminary spectrum i.e. LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our LED drivers are manufactured in a facility located in Vasai, mainly using SMD components on an automatic pick-n-place machine. Our Company is an ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certified Company Our Company is member of LACMA (LUMINAIRES ACCESSORIES COMPONENTS MANUFACTURERS ASSOCIATION) vide membership no. 2238.

Our Company is Promoted by Pravin Agarwal and Corporate Promoter M/s Yashvikram Infrastructure Private Limited. Our Promoter Pravin Agarwal has experience of working with in the industry since nine (9) years. Prior to starting the business of LED Luminaries manufacturing our Promoter Pravin Agarwal was engaged in Hospitality and Aviation related Industry.

Our Company has its manufacturing plant located at Vasai which supplies finished products directly to Original Equipment Manufacturer “OEM” who in terms apply in their brand and sale to the ultimate customer or our Company supply in the open market.

Our Company try to develop products for which our management takes keen interest to innovate and update products from time to time, taken measures to scale up and deliver the quality products. Our Company have a wide range of products to cater to lighting need to client’s specific requirements. Our Management emphasizes on delivering least polluting and most efficient products that improve society's quality of life through effective lighting solutions.

Our Company have received Letter of Award dated December 21, 2017, from Karnataka State Electronics Development Corporation Limited (KEONICS) (A Government of Karnataka Enterprise) “Supply of LED street light for SLNP in Gram Panchayats of Andhra Pradesh”.

In the past 5 years, from Rs. 663.20 Lakhs in F.Y. 2013–14 to Rs. 894.06 lakhs in F.Y. 2014–15, to Rs. 4,533.87 Lakhs in F.Y. 2015–16, to Rs. 4,723.87 Lakhs in F.Y. 2016-17 and further to Rs. 8951.31 Lakhs in F.Y. 2017–18, reflecting a CAGR of 91.67%. Our Net Profit after tax for the above – mentioned periods are Rs. 15.57 lakhs, Rs. 32.42 Lakhs, Rs. 156.57 Lakhs, Rs. 180.78 Lakhs and Rs. 956.21 lakhs, respectively, showing a growth at a CAGR of 179.94%.

## OUR PRODUCTS






Our Company is currently providing variety of products which include LED Panel Lights, LED Street Lights, Solar LED Street Lights, LED Down Lights, LED Surface Down Lights, Pendant Down lights, LED Spot Lights, LED Batten Lights, LED Architectural Lights, LED Focus Lights, LED Bulbs. In addition, our Company offer electronic components such as LED Drivers and electronic ballasts.

### **Our Solar Products**



Solar energy is radiant light and heat from the Sun that is harnessed to create a clean form of energy. Electricity can be produced directly from photovoltaic, PV, cells. (Photovoltaic literally means “light” and “electric.”). Unlike conventional energy, electricity produced from solar energy does not give out any harmful emissions that harm the environment. Our company is continuously working towards catering new areas of lighting coupled with solar energy. Our Company already manufacture and trade in Solar charge controllers, Solar powered LED Batten Lights, Solar powered LED Down Lights, Solar powered LED Street Lights, Solar powered LED Bulbs, Solar powered Fans, Solar powered LED Lanterns etc.



**Applications of our Products is as follows:**


Sr. No	Product	Description
1.	<p><b>“Apollo” LED Down Light</b></p> 	<p>This product comes in three variants: 12 watts, 15 watts &amp; 18 watts.</p> <p><b><u>Applications:</u></b></p> <ul style="list-style-type: none"> <li>• Commercial and Residential</li> </ul> <p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>• Saves up to 70% Energy as compared to CFL light with similar luminous flux.</li> <li>• Long Life high-power and high efficiency package LED.</li> <li>• Optimized Thermal Management.</li> <li>• Eco Friendly Materials Used (recycle up to 5 times).</li> <li>• No UV, No Infrared.</li> </ul> <p><b><u>Technical Specifications:</u></b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.95</li> <li>• THD: &lt;10%</li> <li>• Efficiency: &gt;85%</li> </ul>
2.	<p><b>“Moon” LED Surface Down Light</b></p> 	<p>This product comes in many variants ranging from 6 watts to 18 watts.</p> <p><b><u>Applications:</u></b></p> <ul style="list-style-type: none"> <li>• Commercial and Residential</li> <li>• Government Offices</li> <li>• Corridor Lighting</li> </ul> <p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>• Saves upto 70% Energy as compared to CFL light with similar luminous flux.</li> <li>• Long Life high-power and high efficiency package LED.</li> <li>• Optimized Thermal Management.</li> <li>• Eco Friendly Materials Used (recycle up to 5 times).</li> </ul>


Sr. No	Product	Description
		<ul style="list-style-type: none"> <li>No UV, No Infrared.</li> </ul> <p><b>Technical Specifications:</b></p> <ul style="list-style-type: none"> <li>Power Type: Constant Current Driver</li> <li>Power Factor: &gt;0.95</li> <li>THD: &lt;15%</li> <li>Efficiency: &gt;85%</li> </ul>
3.	<p><b>LED Aluminium body Panel Lights</b></p> 	<p>This product comes in four variants: 5 watts, 12 watts, 18 watts &amp; 24 watts</p> <p><b>Applications:</b></p> <ul style="list-style-type: none"> <li>Commercial and Residential</li> </ul> <p><b>Features:</b></p> <ul style="list-style-type: none"> <li>Saves upto 70% Energy as compared to CFL light with similar luminous flux.</li> <li>Long Life high-power and high efficiency package LED.</li> <li>Optimized Thermal Management.</li> <li>Eco Friendly Materials Used (recycle up to 5 times).</li> <li>No UV, No Infrared.</li> </ul> <p><b>Technical Specifications:</b></p> <ul style="list-style-type: none"> <li>Power Type: Constant Current Driver</li> <li>Power Factor: &gt;0.95</li> <li>THD: &lt;15%</li> <li>Efficiency: &gt;85%</li> </ul>
4.	<p><b>LED Plastic body Panel Lights</b></p>	<p>This product comes in three variants: 12 watts, 15 watts &amp; 18 watts.</p> <p><b>Applications:</b></p> <ul style="list-style-type: none"> <li>Commercial and Residential</li> </ul> <p><b>Features:</b></p> <ul style="list-style-type: none"> <li>Saves upto 70% Energy as compared to CFL light with similar luminous flux.</li> <li>Long Life high-power and high efficiency package LED.</li> </ul>




Sr. No	Product	Description
		<ul style="list-style-type: none"> <li>• Optimized Thermal Management.</li> <li>• Eco Friendly Materials Used (recycle up to 5 times).</li> <li>• No UV, No Infrared.</li> </ul> <p><b>Technical Specifications:</b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.95</li> <li>• THD: &lt;20%</li> <li>• Efficiency: &gt;85%</li> </ul>
5.	<p><b>LED Spot Light</b></p> 	<p>This product comes in many variants ranging from 6 watts to 30 watts</p> <p><b>Applications:</b></p> <ul style="list-style-type: none"> <li>• Commercial and Residential</li> </ul> <p><b>Features:</b></p> <ul style="list-style-type: none"> <li>• Saves upto 70% Energy as compared to CFL light with similar luminous flux.</li> <li>• Eco Friendly Materials Used (recycle up to 5 times).</li> <li>• No UV, No Infrared.</li> <li>• White powder coated recess mounting pressure die-cast aluminium housing.</li> <li>• Specially designed COB LED die-cast aluminium carriage assembly.</li> <li>• Die-cast aluminium carriage assembly provided with heat sink for efficient dissipation of heat important for LED luminaires.</li> </ul> <p><b>Technical Specifications:</b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.95</li> <li>• THD: &lt;10%</li> </ul>

Sr. No	Product	Description
6.	<p><b>LED PVC Batten</b></p> 	<ul style="list-style-type: none"> <li>• Efficiency: &gt;85%</li> </ul> <p>This product comes in many variants ranging from 5 watts to 18 watts</p> <p><b>Applications:</b></p> <ul style="list-style-type: none"> <li>• Commercial and Residential lighting</li> </ul> <p><b>Features:</b></p> <ul style="list-style-type: none"> <li>• Upto 70% Energy saving compared to CFL light with similar luminous flux.</li> <li>• Long Life High-power and high efficiency package LED.</li> <li>• Optimized Thermal management, Uniform Light.</li> <li>• Silent (humming free) operation.</li> <li>• Driver is made with high quality&amp; reliable components, ensuring in long life of Driver.</li> <li>• Housing is made of PC, ensuring high durability.</li> <li>• High impact resistance PC grade diffuser for uniform light distribution.</li> <li>• Electrical protection: Output short circuit, Input over voltage shut down, Non-isolated driver.</li> <li>• Eco friendly materials used (Recycle up to 5 times)</li> <li>• No UV; No Infra Red</li> </ul> <p><b>Technical Specifications:</b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.95</li> <li>• THD: &lt;10%</li> <li>• Efficiency: &gt;85%</li> </ul>
7.	<p><b>'LENZ' (2X2) Down light</b></p> 	<p>This product comes in 36 watts</p> <p><b>Applications:</b></p> <ul style="list-style-type: none"> <li>• Commercial complexes, Showrooms,</li> <li>• Airport lounges, computer centre,</li> <li>• Bank, Hospitals, conferences halls,</li> <li>• Design offices, Laboratories, etc.</li> </ul> <p><b>Features:</b></p>

Sr. No	Product	Description
		<ul style="list-style-type: none"> <li>• Up to 70% Energy saving compared to CFL light with similar luminous flux.</li> <li>• Long Life High-power and high efficiency package LED.</li> <li>• Optimized Thermal management.</li> <li>• Eco friendly materials used (Recycle up to 5 times).</li> <li>• Coated with polyester powder.</li> <li>• No UV, No Infra Red.</li> <li>• Retrofits in the standard 575mm cut-out.</li> </ul> <p><b>Technical Specifications:</b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.95</li> <li>• THD: &lt;10%</li> <li>• Efficiency: &gt;85%</li> </ul>
8.	<p><b>'MAX' Industrial LED Batten</b></p> 	<p>This product comes in many variants ranging from 20 watts to 40 watts</p> <p><b>Applications:</b></p> <ul style="list-style-type: none"> <li>• Homes / School / Colleges</li> <li>• Shops / Office interior</li> <li>• Parking/Corridors/Basements</li> </ul> <p><b>Features:</b></p> <ul style="list-style-type: none"> <li>• Up to 70% Energy saving compared to CFL light with similar luminous flux.</li> <li>• Long Life High-power and high efficiency package LED</li> <li>• Optimized Thermal management, Uniform Light</li> <li>• Silent (humming free) operation.</li> <li>• Driver is made with high quality&amp; reliable components, ensuring in long life of Driver.</li> <li>• Channels are made of CRCA extrusion, ensuring high durability, Coated with polyester powder</li> <li>• High impact resistance Polycarbonate lux grade diffuser for uniform light distribution.</li> <li>• Electrical protection: Output short circuit, Input over voltage shut down, isolated driver.</li> <li>• Eco friendly materials used (Recycle up to 5 times)</li> <li>• No UV ; No Infra Red</li> </ul>

Sr. No	Product	Description
		<p><b><u>Technical Specifications:</u></b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.98</li> <li>• THD: &lt;10%</li> <li>• Efficiency: &gt;85%</li> </ul>
9.	<p><b>LED AC Street Lights</b></p> 	<p>This product comes in many variants ranging from 24 watts to 180 watts</p> <p><b><u>Applications:</u></b></p> <ul style="list-style-type: none"> <li>• Arterial roads, Main roads,</li> <li>• Multi-level junctions, Traffic round-about, Civic centers. etc.</li> </ul> <p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>• Epoxy powder coated pressure die-cast aluminium housing with weatherproof gaskets for LEDs and control gear compartments.</li> <li>• Pressure die-cast aluminium frame with heat resistant clear toughened glass and weatherproof gasket fixed with SS screws.</li> <li>• LEDs make: CREE LED / Equivalent.</li> <li>• Lens – make – LedLink / Equivalent.</li> </ul> <p><b><u>Technical Specifications:</u></b></p> <ul style="list-style-type: none"> <li>• Power Type: Constant Current Driver</li> <li>• Power Factor: &gt;0.95</li> <li>• THD: &lt;10%</li> <li>• Efficiency: &gt;85%</li> </ul>

Sr. No	Product	Description
10.	<p data-bbox="296 269 600 293"><b>LED SOLAR STREETLIGHT</b></p> 	<p data-bbox="716 269 1545 293">This product comes in many variants ranging from 9 watts to 90 watts</p> <p data-bbox="716 321 877 345"><b><u>Applications:</u></b></p> <ul data-bbox="737 375 1079 513" style="list-style-type: none"> <li>• Boundary Lighting,</li> <li>• Small Roads, Rural Road,</li> <li>• Parks &amp; Garden,</li> <li>• Security lighting, etc.</li> </ul> <p data-bbox="716 537 831 561"><b><u>Features:</u></b></p> <ul data-bbox="737 591 1797 951" style="list-style-type: none"> <li>• Upto 70% Energy saving compared to CFL light with similar luminous flux.</li> <li>• Silent (humming free) operation.</li> <li>• Driver is made with high quality&amp; reliable components, ensuring in long life of Driver.</li> <li>• Eco friendly materials used (Recycle up to 5 times)</li> <li>• No UV; No Infra Red</li> <li>• Optimized Thermal management.</li> <li>• Die-cast aluminum frame with heat resistance toughened clear glass with SS screws.</li> <li>• The streetlight is provided with high efficacy LEDs with colour temp 5700 ±500 Deg K.</li> <li>• Lenses have been provided for excellent optical control.</li> <li>• Degree of protection: IP65</li> </ul> <p data-bbox="716 976 1014 1000"><b><u>Technical Specifications:</u></b></p> <ul data-bbox="737 1029 1178 1094" style="list-style-type: none"> <li>• Operating Voltage: 12Vdc/24Vdc</li> <li>• Efficiency of Driver: 90%</li> </ul>

## RAW MATERIALS

Components	Description
MCPCB	MCPCBs are most widely found in LED technologies, as they reduce the number of LEDs required to produce a specific illumination.
Drivers/ Streetlights	A driver is an electrical circuit or other electronic component used to control another circuit or component, such as a high-power transistor, liquid crystal display (LCD), and numerous others. They are usually used to regulate current flowing through a circuit or to control other factors such as other components, some devices in the circuit. The term is often used, for example, for a specialized integrated circuit that controls high-power switches in switched-mode power converters
Aluminum Alloy	The aluminum is used in the preparation of dies which are further used in casting of the LED Lights.
LED/LENS	<p>The lighting emitting diode is a p-n junction diode. It is a specially doped diode and made up of a special type of semiconductors. When the light emits in the forward biased, then it is called as a light emitting diode.</p> <p><b>Applications:</b> Bulb in the homes and industries, Motorcycles &amp; Cars, Mobile Phones, Traffic Signals.</p>
Transformers / Resistors/ Capacitors	<p><b>Transformers:</b> A transformer is a static electrical device that transfers electrical energy between two or more circuits through electromagnetic induction. Transformers are used to increase or decrease the alternating voltages in electric power applications. <b>Resistors:</b> A resistor is a passive two-terminal electrical component that implements electrical resistance as a circuit element. In electronic circuits, resistors are used to reduce current flow, adjust signal levels, to divide voltages, bias active elements, and terminate transmission lines, among other uses</p> <p><b>Capacitors:</b> A capacitor is a passive two-terminal electrical component that stores potential energy in an electric field. The effect of a capacitor is known as capacitance. Capacitors are widely used in electronic circuits for blocking direct current while allowing alternating current to pass.</p>

## MANUFACTURING PROCESS

Designing team prepares the design prototype by selection of LED's, drivers, light output (depends on the target area), optics, packaging based on existing luminaires performance of LED's, Components are assembled to prepare a Prototype which is tested to meet its desired Target results. The prototype is then dispatched to prospective clients for approval.



Production team issue Electronic Components (LED Drivers / Solar Charge Controller) & PCB (Printed Circuit Board). PCB is glued for loading SDM (Surface Mount Device) Electronic components which is placed in Pick N Place SMT machine and visual check for deviation, if any PCB is wired for connection & tested for various critical parameters to decide on "GO" & "NO- GO" & finally sent to stores / Luminaries assembly line as per scheduled plan.



On receipt of approval from the clients the orders received from the clients. Production team start preparing BOM List on finalized/ approved designs, identify suppliers and placed orders with negotiated timelines. The raw material requirements are assessed and the orders are placed with the vendors/suppliers. Raw Material received is subject to Inward quality check, approved & stored in warehouse.



MCPCB (Metal Clad Printed Circuit Board) is Solder wave for loading LED's which is placed in Pick N Place SMT machine and visual check for deviation, if any



Luminaires process involves applying of thermal paste on the front of LED fixture & back of MCPCB component & Other Components such as LED drivers are connected with wires. LED fixtures are tested to decide on "GO" & "NO-GO". Visual is checked for deviation, if any and the Optics (Lens, glass, diffusers) are fixed to the LED fixture. Further, LED luminaire is put under soak test at various voltages for 6-hours & finally the product is labelled.



Firstly, the product is undergone internal quality checks which includes high voltage test, thermal shock test, high temperature & humidity test, Photometer test, surge test, water proof test & drop test to check packaging. Secondly, external quality checks are carried out by client's representatives from on above mentioned lines prior to packing and dispatch of final products.



Final products are packaged & finally loaded for dispatch to the clients.

### Step 1: Designing and Sample Preparation:

Our Company has in-house design team which creates designs based on Luminaire Light output (Lumens), Luminaire Efficacy (Lumens per watt), Correlated Colour Temperature (degrees Kelvin), Colour-Rendering Index (CRI), Surge Protection required characteristics. Designing process involves selection of LED's based on either on existing performance or on the application's requirements of luminaries, selection of LED drivers based on surge protection, best efficiency, Optics, Light output (Target Area). Based on the parameters, prototype is prepared & observations are recorded for further refine in the design of the Luminaries before sending to clients for approval.

**Step 2: Components Procurement:**

Our Company get the design approved by the client for confirmation that it is as per the requirement. Generally, once the orders are placed by the clients, Bill of Material list is prepared based on finalized / approved designs. Purchase Department will identify & finalized the suppliers for the procurement of the raw material.

Raw material will undergo for inward quality check & approve to deliver to company warehouse / Stores.

**Step 3: Placing LED's on MCPCB:**

MCPCB (Metal Clad Printed Circuit Board) is Solder wave for loading LED's which is placed in Pick N Place SMT machine and visual check for deviation, if any. LED's loaded on MCPCB is subject to 6 - zone temperature for proper adhesion. Further, MCPCB is tested for "GO" & "NO-GO" & finally sent to stores / assembly line as per scheduled plan.

**Step 4: Manufacturing of PCB:**

Production team issue Electronic Components (LED Drivers / Solar Charge Controller) & PCB (Printed Circuit Board). PCB is glued for loading SDM (Surface Mount Device) Electronic components which is placed in Pick N Place SMT machine and visual check for deviation, if any. PCB is subject to 6 - zone temperature for proper adhesion and again visual check for deviation, if any. Electronic component is loaded on PCB through Solder wave machine and again visual check for deviation, if any. PCB is wired for connection & tested for various critical parameters to decide on "GO" & "NO-GO" & finally sent to stores / Luminaries assembly line as per scheduled plan.

**Step 5: Luminaries:**

Under this process all the manufactured components are assembled for preparation of Luminaries. Pre-coated LED fixtures & back of MCPCB are thermally pasted for thermal dissipation. LED drivers are wired to MCPCB which is affixed to LED fixtures and then it is tested to decide for "GO" & "NO-GO" visual check for deviation, if any. Further, Optics (Lens, diffusers, glass) is fixed to LED fixture. LED Luminaries are passed through 6-hours soak test under various voltages & finally the LED Luminaries are labelled.

**Step 6: Quality Check:**

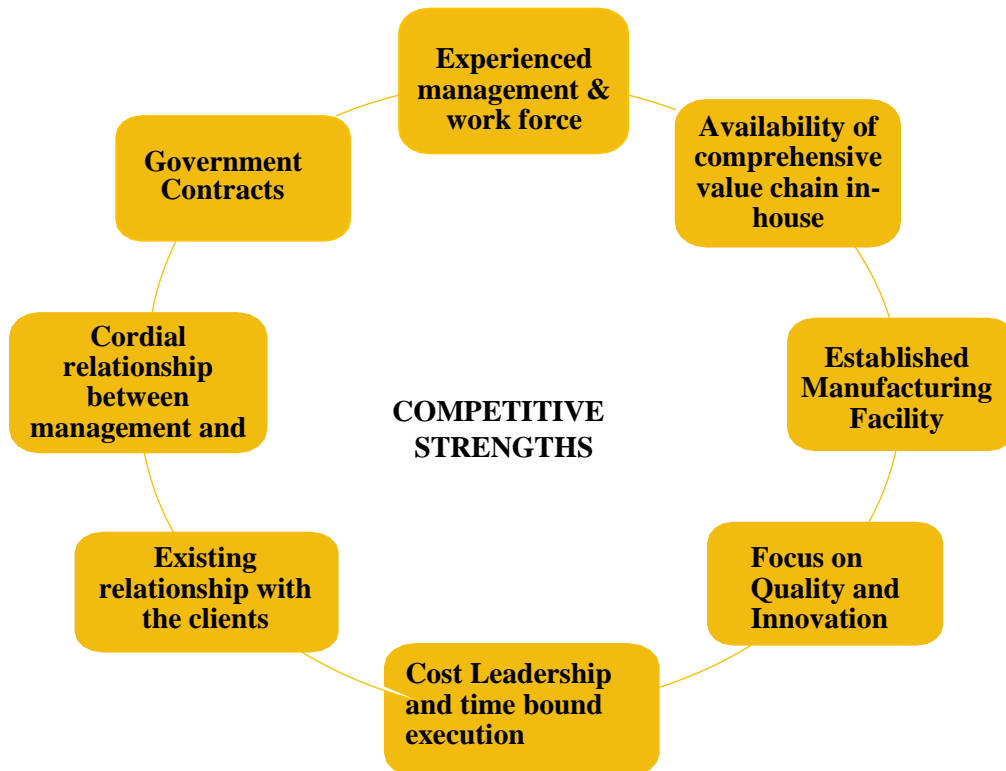
Firstly, LED luminaries are undergone internal quality check test for various critical electrical parameters on sample basis. The sample test of LED luminaries includes High voltage test, high temperature & humidity test & Low temperature test in environment chamber & cold chamber in operational condition respectively, shock test, Photometry test for checking optimal parameters, surge test, water proof test & drop test to check packaging safety. Clients send their team for testing the product so manufactured which is in the same line of internal quality checks by representative of clients.

**Step 7: Packing:**

After quality checks, each luminaire is shrink wrapped, labelled & packaged in Mono / Outer Mother Boxes & strapped for delivery to the clients.



## OUR COMPETITIVE STRENGTHS



### 1. Experienced management & work force

Our Company believes that our management has contributed to the growth of our business operations. Our Company believe that the experience of our management team has resulted in planning the growth and marketing strategy.

### 2. Availability of comprehensive value chain in-house

Our Company is into manufacturing of LED luminaries for indoor as well as outdoor requirement. In addition to this, one of our Group Company manufactures high power LED emitters (light source). Electro Plast, is engaged into fabrication, powder coating and molding etc. Electro Force, is engaged in tool room, molding and press tool components. Electro Pack, is engaged in packaging operations. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

### 3. Established Manufacturing Facility

Our existing manufacturing facility is located at Vasai, in the state of Maharashtra. Our competitive strength is that our Company have in-house facility to manufacture components used in manufacturing LED luminaries and the final finished product. From a design on paper to the final product, the entire process is done under one roof except for the casting of Product. This gives us flexibility in designing products and engineer them for manufacturing, as the dependence on third party for supplies is minimal.

### 4. Focus on Quality and Innovation

Our Company believe that quality and innovation are essential in the growth of business. Our Management constantly strive to maintain and improve the quality of our products. Our focus on quality and innovation helps us to compete against our peers in the LED manufacturing industry. Our Company

is trying to create a shift from fossil fuel consuming source of energy to clean and green sources such as solar energy. Our Company is offering solar energy- based lighting solutions to cope up with the power shortages.

#### **5. Cost Leadership and time bound execution**

Our Company promotes cost leadership and timely execution of client's orders. The timely fulfilment of the orders is a prerequisite in our industry and the cost leadership entails cost efficient manufacturing processes. Our management has carried out various steps for the purpose which involves identification of quality raw materials, harmonious relations with workforce and the use of latest and manufacturing facilities which enhanced our ability to meet large and varied orders on a timely basis. Our Company has cordial relations with our vendors which enable us to have raw materials supplied at shorter notice also, which ultimately helps us to complete the client order. Our Company constantly endeavours to implement procurement policy for inputs required for manufacturing so as to ensure cost efficiency in procurement which in turn results in cost effective manufacturing.

#### **6. Existing relationship with the clients**

Our Company focus on building client relationship and constantly try to cater customer needs with products in demand. Since our Company is engaged in B2B business model, our existing clients provide us repetitive orders for continuous services. Our Company believes that our existing relationship serves as an advantage in gaining new clients and increasing our business with existing clients.

#### **7. Cordial relationship between management and labour**

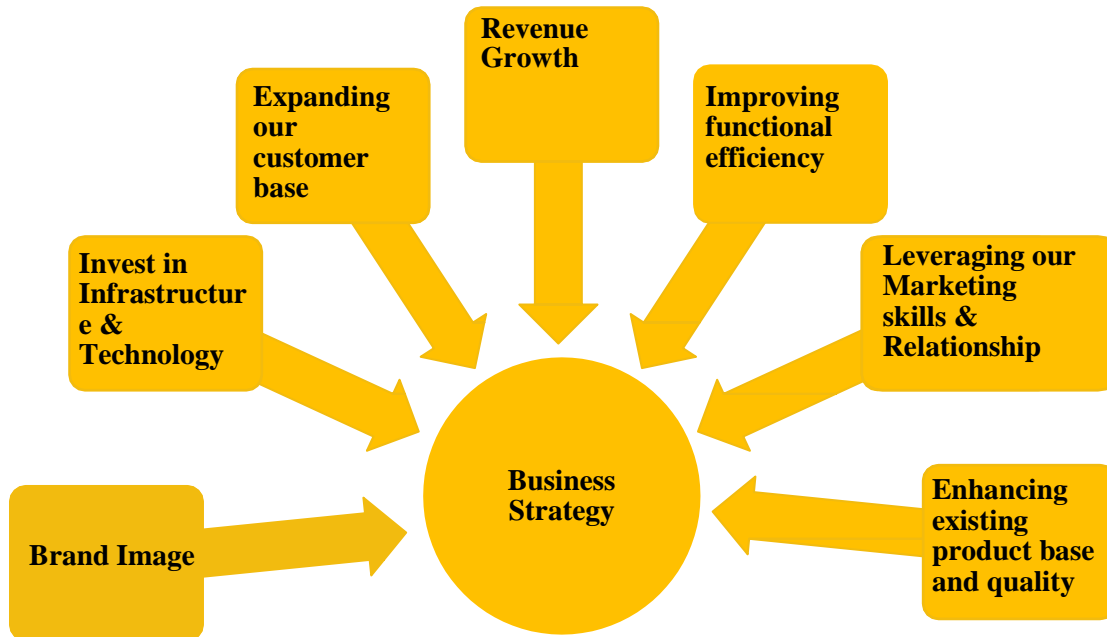
Management of our Company believes in maintaining cordial relations with all the staff in the organization whether it is Board of Directors or the employees monitoring the manufacturing process. Our management has tried to take care of the requirements and expectations of the labourers. As on the date of this Draft Red Herring Prospectus our Company does not have any union of our employees and have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

#### **8. Government Contracts**

Our Company has received Letter of award for “Supply of LED street light for SLNP in Gram Panchayats of Andhra Pradesh” vide letter dated December 21, 2017 against our tender to supply street lights. The contract is worth Rs. 149.15 Lakhs which is received from KEONICS (Karnataka State Electronics Development Corporation Limited) for the manufacture and supply of 10,000 24W LED street lights.

## OUR STRATEGIES

Our vision is to raise our market share in the existing markets and to penetrate new markets.



### 1. Brand image

Our Company intend to build our brand primarily through continued investment in product innovation supported by various initiatives, marketing activities and the establishment of long – term relationships with our clients. Our Company is conscious about our brand image and intend to continue our brand building exercise by providing products as per the client’s requirements.

### 2. Invest in Infrastructure and Technology

Our Company believes in making investments for continuously Developing our products to cater to the diverse specifications of our clients. Our Company in the past have invested in upgrading our manufacturing facilities for infrastructure and modern technology. Our Company shall always try to upgrade and modernize infrastructure and technology in future.

### 3. Expansion in Capex

Our Company supplies products directly to OEMs or to the wholesalers or to the traders and as our existing installed capacity is sufficient to be able to supply them. With our expansion plans and increased capacity in the future we will be able to supply more to our existing clients and be in a position to get new clients.

### 4. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organization. Our Company aim to undertake marketing initiatives as well to increase our brand visibility.

### 5. Enhancing existing products base and product quality

Our Company believe products with global standards are of much importance for customer retention and repeat-order flow. Our Company intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. Our Company train our employees to consistently design and deliver client focused solutions.

## **SWOT ANALYSIS OF OUR COMPANY**

### **Strengths:**

- Cordial relations with Customers.
- Knowledge of Industry – Commercial & Technical.
- Established manufacturing facility.
- Huge infrastructure.
- Low overhead cost.
- Sizeable market share.
- Experienced management team.

### **Weakness:**

- Dependent upon growth in LED Lighting industry.
- Inability to update technology.
- Insufficient international markets reach.
- Surge in finance needs to cope up with the increased demand.

### **Opportunities:**

- Shift towards LED Lights will boost demand.
- Growing acceptance by Consumers.
- Government's drive to convert all lights to LEDs.
- Rapid urbanization and growth in infrastructure will create demand for LED Lights.

### **Threats:**

- Industry is prone to changes in government policies, any material changes in the duty or international raw material prices may adversely impact our financials.
- There are no entry barriers in our industry for new entrance.
- Change in Technology.

## **DETAILS OF OUR BUSINESS**

### **LOCATION**

Our Company has office and manufacturing units in Maharashtra:

#### **Registered & Manufacturing Office:**

Gala No. 103, 104, 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India.

Corporate Office: Office 201A, A wing, 2nd floor, Fortune 2000, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

For further details of ownership/ lease of the above locations, please refer to *"Business Overview – Properties"* on page no. 124 of this Draft Red Herring Prospectus.

### **EXISTING MANUFACTURING FACILITY**

Our manufacturing facility includes plant and machinery for SMD, wave solder, shrink wrap, strapping, soaking, die sinking, milling, drill press, high press & forming machine.

### **PLANT AND MACHINERY**

The existing Plant and Machinery at our Manufacturing Units are:

Sr. No.	Machine & Testing Equipments	No.	Vendor	Model No.
1.	SMD Semi Automatic Printer	1	Signking Automation, Taiwan	SKP 828
2.	SMT Pick & Place Machine	1	Evest Corpn., Taiwan	EM - 560 M
3.	Reflow Oven	1	TWS Automation, Germany	OV 1320
4.	Wave Solder Machine	1	TWS Automation, Germany	LFS – 300
5.	Shrink Wrap Machine	1	Star Print Pack Machinery, Mumbai, India	NA
6.	Strapping Machine	2	Hussain Packaging, Daman, India	NA
7.	Automatic Soaking Machines	2	Dewa Automation, Nasik, India	NA
8.	110 Ton Injection Moulding Machine	2	Nissie, Japan	FN - 2000, 110 T
9.	75 Ton Injection Moulding Machine	1	Arburg, Germany	Arburg 320-210-750
10.	Vertical Machining Center	1	Makino, Japan	Makino F3
11.	Surface Grinder	1	Chavalier, USA	FSG 618 M
12.	EDM - Wire Cut	1	Sodick	AG 600L
13.	EDM - Wire Cut	1	Charmilles	Robofil 290P
14.	EDM - Die Sinking	1	Makino	Edge2
15.	EDM - Die Sinking	1	Chmer	50 NZ
16.	EDM - Drill Press	1	Chmer	A22 - 6mm /30A
17.	Vertical Machining Center	1	Makino	F3
18.	Vertical Turret Milling machine	1	ESTEAM	SP - 150 TM
19.	Vertical Turret Milling machine	1	Chavalier	FM- 4VKH
20.	High Speed Power Press	3	Brudrer	BSTA 18/25/ 50A
21.	Multislide Forming Machine	3	YSM	10T/26T/ 26TX

#### INSTALLED CAPACITY

Capacity and capacity utilization for the last three years:

Product	Particulars	For the Financial Year		
		2017-18	2016-17	2015-16
LED Drivers	Installed capacity (Units)	6,00,000	500000	5,00,000
	Utilized capacity (Units)	3,77,000	1,98,200	1,74,500
	Utilized capacity (%)	63.00%	39.64%	34.90%
LED Luminaries	Installed capacity (Units)	7,20,000	6,00,000	6,00,000
	Utilized capacity (Units)	4,72,500	3,09,500	2,81,000
	Utilized capacity (%)	66.00%	51.58%	46.83%

## **UTILITIES**

### **Water**

Our Company requires supply of water only for general purpose for which a water tanker is purchased on a daily basis from local tanker services. Water is not required at any manufacturing process of the products.

### **Power**

**Manufacturing Unit:** Our company has entered into an electricity sharing agreement with Electro Force (India) Private Limited “(EFIPL) on a prorata basis whereby the EFIPL holds electricity connection with Maharashtra State Electricity Distribution Company Limited “(MSEDL)” and has agreed to share the electricity consumption charges based on the actual units consumed by our company in a month. EFIPL shall charge a rate of Rs. 9.50/- per unit on our actual power consumption. Actual power consumption is computed from the sub meter installed in the factory premises and the readings are taken on monthly basis for the purpose.

**Corporate Office:** Our existing power requirement for the administrative office is catered from “Tata Power Limited”. Our sanctioned power load is 23.20 KW and our existing consumption is approximately 5,500 units per month at an average cost of Rs. 11.75/- per unit approximately.

## **SALES AND MARKETING**

Our Company is in process of appointing sales personnel and marketing team for marketing our products. Our relationship with our clients who have been associated with our company is the strength of our Company. Our promoter and director Praveen Agarwal through his experience and rapport with the clients plays an instrumental role in creating and expanding the work platform for our company. Regular interaction is ensured not only to maintain the client base but also to gain insight into the designs and other requirements of the clients.

## **COMPETITION**

LED Lighting being a dynamic global industry, our Company face competition from various domestic manufacturers and traders. The organized players in the industry compete with each other by providing high quality and time bound products. Our Company have a number of competitors offering products similar to us. Our Company believe that the principal elements of competition in our industry are price, quality, sustained relationship with existing clients and vendors, use of technically upgraded plant and machinery, latest designs, adaptability of trends, timely delivery and reliability. Our Company compete against our competitors by establishing ourselves as knowledge based production unit with industry expertise in the segment which enables us to provide our clients with innovative designs suitable to current trend and market requirements.

## **COLLABORATION**

As on the date of this Draft Red Herring Prospectus our company has no technical or financial collaboration agreement.

## **HUMAN RESOURCES**

The manufacturing process requires an appropriate mix of skilled, semi – skilled and unskilled workforce. The detailed break up of our employees as on January 2019 is as under:

Departments	No. of Employees		
	Our Company	Co. Contract	3rd Party Contract
ADMIN	7		
FABRICATION	1		
Luminaire	9		
M I	5		
PCB	3		
QC	2		
R &D	2		
SMD	1		
Store	2		
Other -Contractor		11	75**
<b>Total</b>	<b>32</b>	<b>11</b>	<b>0</b>

\* Company - Contractor

\*\* Company - Third Party Contract (Third Party Contract is done on Manhour basis)

#### EXPORT AND EXPORT OBLIGATION

As on the date of filing this Draft Red Herring Prospectus, our Company does not have any pending export obligations.

#### PROPERTIES

Our Registered office and manufacturing facility are located at Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India.

The details of Property occupied, leased or owned by the Company are as under:

##### A. OWNED

Sr. No.	Location	Area	Utility	Date of Agreement / Acquisition	Agreement Valid till
1.	Land bearing Industrial Plot No. IP-33- A, Khasara No. 84 situated at Raipur Sahakari Audyogic Khestra, Village Raipur, Pargana Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand.	800 Sq. Meters	Industrial Land	October 14, 2009	NA
2.	Land bearing Industrial Plot No. IP-33, Khasara No. 84 situated at Raipur Sahakari Audyogic Khestra, Village Ripur, Pargana Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand.	787.50 Sq. Meters	Industrial Land	February 20, 2010	NA
3.	Office 201A, A wing ,2 <sup>nd</sup> floor, Fortune 2000, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051	199.37 Sq. Meters	Corporate Office	December 22, 2017	NA

#### A. FOR LEAVE AND LICENSE

Sr. No.	Location	Area	Utility	Date of Agreement / Acquisition	Agreement Valid till	Licensor
1)	Gala No. 103, 104, 105 & 108, National Express Highway, Vasai (East), Thane – 401208	15000 Sq. Feet	Registered Office and Manufacturing Facility	14/01/2016	30/11/2020	M/s. P.K. Hospitality Services Private Limited

#### INSURANCE POLICIES

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards.

Sr. No.	Name of Insurer	Type of Policy	Validity Period	Description of coverage under the policy	Policy no.	Sum Insured (₹)	Premium P.A (₹)
1.	United India Insurance Company Limited	Standard fire & Special Perils Policy and Addition on Earthquake and STFI Cover	16/07/2018 to 15/07/2019	Manufacturing Unit (Electronic Goods Manufacturing /Assembly) and addition cover of Earthquake and STFI	02160011 18P10501 3927	15,00,00,000	57,968

#### INTELLECTUAL PROPERTY

For details relating to our patents and trademarks please refer chapter titles “Government and other Statutory Approvals” beginning on page 235 of this Draft Red Herring Prospectus.



## KEY INDUSTRY - REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing and trading of Light Emitting Diode "LED" Lights and LED lighting accessories. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

*For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled Government and Other Statutory Approvals beginning on page number 235 of this Draft Red Herring Prospectus*

### I. Industry Related Laws

#### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

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

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("**FTDRA**"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("**DGFT**") or from any other officer duly authorised under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is authorised to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or

exporting specified goods or services or technology, in contravention of any provision of FTDR or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

**The Bureau of Indian Standards Act, 2016 ("BIS Act")**

The BIS Act, establishes, publishes and regulates national standards to ensure conformity assessment, standardisation, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer's compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

**Industrial (Development and Regulation) Act, 1951**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("*IEM*") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

**The Legal Metrology Act, 2009 ("Legal Metrology Act")**

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The Legal Metrology Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the license under the Legal Metrology Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the Legal Metrology Act. Non-compliance or any violation under the Legal Metrology Act, may result in inter alia a monetary penalty on the manufacturer or seizure of goods.

**II. Labour Laws**

**The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

The Industrial Disputes Act, 1947 ("*ID Act*") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to

the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock outs, closures, lay-offs and retrenchment.

### **Factories Act, 1948**

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term factory, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

### **The Employees' Compensation Act, 1923**

The Employees' Compensation Act, 1923 ("**EC Act**") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **The Employees State Insurance Act, 1948**

The Employees State Insurance Act, 1948 ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate

prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### **The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

#### **The Employees Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 58 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

#### **Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

#### **Maternity Benefit Act, 1961**

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

#### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an — Internal Complaints Committee and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to

assess the complaints.

### **The Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 ("**PB Act**") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("**MW Act**") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 ("**PG Act**") applies to every factory and shop or establishment in which 10 (ten) or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply)

### **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 ("**PW Act**") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **The Maharashtra Labour Welfare Act, 1953**

The Maharashtra Labour Welfare Fund Act, 1953 provides for the constitution of a fund for the financing of activities to promote welfare of labour in the state of Maharashtra. Any establishment which is covered under the Bombay Shops and Establishments Act, 1948 or employs at least 5 employees is required to make bi-annual contributions in the months of June and December every year to the Maharashtra Labour Welfare Fund with respect to each of its employees including contract labourers except those employed in managerial capacity or supervisory role drawing monthly salary of more than Rs.3,500. For this purpose, apart from paying its own contribution with respect to each employee covered under the statute, the employer needs to deduct a contribution amount from the salary of the employee as well and submit such amount to the labour welfare fund. For this purpose, employers are allotted code numbers. The Government also adds some contribution with this which goes to the Labour Welfare Fund administered by a Welfare Commissioner. The employer has to apply for allotment of code number to the Welfare Commissioner, Maharashtra Labour Welfare Board.

### **Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979**

The Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979 is applicable to an establishment, which employs five or more inter-state migrant workmen through an intermediary (who has recruited workmen from one State for employment in an establishment situated in another State). The inter State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses etc.

### **Sales Promotion Employees (Conditions and Services) Act, 1976**

*Sales Promotion Employees (Conditions and Services) Act, 1976* was enacted with the aim and object to provide for regulation of certain conditions of service of sales promotion employees in certain establishments. The extension of this Act is provided over all Indian territory and the same was brought into force on 6th May of 1987 by the notification of the Central Government. This act was initially applicable only to pharmaceutical companies however pursuant to the Ministry of labour Employment Notification No. SO 217 (E) dated January 31, 2011 the act now applies to many other industries which includes industries engaged in the manufacturing of electrical appliances. It provides for issue of appointment letter to the Sales Promotion Employees and Maintenance of Registers. It also provides for hours of work and leave on Medical grounds to the Sales Promotion Employees.

## **III. Environment Laws**

### **The Environment (Protection) Act, 1986**

The Environment (Protection) Act, 1986 ("**EPA**") is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution.

### **The Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water.

### **The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

### **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008**

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 ("Hazardous Wastes Rules") set out the regulations for management and disposal of environmental waste. It mandates that every facility generating hazardous waste must obtain prior approval from the relevant state pollution control board. Particular attention must be paid to the recycling the hazardous waste. In the case of improper handling and disposal, every occupier transporter and the operator of a facility generating hazardous waste are liable for environmental damage and penalties thereunder.

### **The Public Liability Insurance Act, 1991**

The Public Liability Insurance Act, 1991 ("**Public Liability Act**") , along with the Public Liability Insurance Rules, 1991, require the owner to contribute towards the environment relief fund of a sum equal to the insurance premium paid to the insurer. Further, a liability is imposed on the owner or controller of hazardous substances, in relation to death/injury of a person, or any damage to property arising out of an accident involving such hazardous substances. Vide notification, the Central Government has enumerated a list of hazardous substances covered by the legislation.

## **IV. Tax Laws**

### **Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the Act.

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

The Government of India proposed a comprehensive national goods and services tax ("**GST**") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017.

GST is a destination based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain.

It replaces following indirect taxes and duties at the central and state levels: Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling. It is applicable on all goods except for alcohol for human consumption and five petroleum products. Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs.1.5 crore (75 lakhs in case of North Eastern States) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%, 28%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

- 2.5% in case of restaurants etc.
- 1% of the turnover in state/UT in case of manufacturer
- 0.5% of the turnover in state/ UT in case of other supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

The Maharashtra Goods and Services Tax Act, 2017 is applicable to the State of Maharashtra.

#### **The Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975**

This act is also called as The Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975. Profession Tax means the tax on Professions, Trades, Callings and Employments levied under this Act. Profession Tax is a Tax may be imposed on Professions and Employments even though the employee is already paying an income tax. It is a tax on Professions, Trades, Callings and Employments for raising the resources needed for implementing the Employment Guarantee Scheme of the Maharashtra State Govt. and to provide for establishment of the Employment Guarantee Fund.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.



## V. Intellectual Property Laws

### **The Copyright Act, 1957**

The Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amounts to an infringement of copyright.

### **The Trade Marks Act, 1999**

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after 10 (ten) years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

### **The Patents Act, 1970**

The Patents Act, 1970 ("**Patents Act**") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement 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 Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

### **Designs Act, 2000 ("Designs Act")**

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years

from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

## **VI. Other Laws**

### **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **The Specific Relief Act, 1963**

The Specific Relief Act, 1963 ("**SR Act**") is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **The Companies Act, 2013**

The Companies Act, 2013 ("**CA 2013**") has been introduced to replace the existing Companies Act, 1956 in a phased manner. The CA 2013 primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **Competition Act, 2002**

The Competition Act, 2002 ("**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anticompetitive agreements, abuse of dominant position and combinations. The Competition Commission of India which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **The Consumer Protection Act, 1986**

The Consumer Protection Act ("**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

provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### **The Transfer of Property Act, 1882**

The Transfer of Property Act, 1882 ("**TP Act**") as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

### **The Registration Act, 1908**

The Registration Act, 1908 ("**Registration Act**") was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Maharashtra Rent Control Act, 1999**

The Maharashtra Rent Control Act, 1999 ("**MRC Act**") unifies, consolidates and amends the law relating to the control of rent and repairs of certain premises and of eviction and for encouraging the construction of new houses by assuring a fair return on the investment by landlords and to provide for the matters connected with the purposes of controlling rent.

It is expedient to unify, consolidate and amend the laws prevailing in the different parts of the State relating to the control of rents and repairs of certain premises and of eviction and for encouraging the construction of new houses by assuring a fair return and to provide for the matters connected with the purposes rent control.

### **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.

### **Shops and Establishments Legislation**

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the state of Maharashtra. Accordingly, the provisions of the Bombay Shop and Establishments Act, 1960 are applicable to our Company. The Bombay Shops and Establishments Act, 1960 as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Maharashtra and makes provisions for the opening and closing of shops, daily and weekly

hours of work, employment of children and young persons, health and safety measures, wages etc.

### **The Sale of Goods Act**

The Sale of Goods Act, 1930 ("**Sale of Goods Act**") governs the contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. The Sale of Goods Act is complimentary to the Indian Contract Act, 1872, and the unrepealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of the Sale of Goods Act, continue to apply to contracts for the sale of goods. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### **Foreign Investment laws**

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 ("**FEMA**") along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the Consolidated FDI Policy ("**FDI Policy**") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") from time to time. Under the current FDI Policy, foreign investment can be made under the automatic and approval route.

In terms of applicable FEMA regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by Foreign Portfolio Investors ("**FPI**") in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has, accordingly, increased such aggregate limit for FPI investment to 49% of our paid-up Equity Share capital.

### **The Arbitration and Conciliation Act, 2015**

The Arbitration and Conciliation Act ("**Arbitration Act**") was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

## HISTORY AND CERTAIN CORPORATE MATTERS

### History and Background

Our Company was originally incorporated as a Private Limited Company under the provisions of Companies Act, 1956 and registered with the Registrar of Companies, Mumbai, Maharashtra with the name "Artemis Electricals Private Limited" on October 26, 2009. Subsequently, our company was converted into public limited company pursuant to special resolution passed by our shareholders dated July 25, 2015 and name of company was changed to "Artemis Electricals Limited" to reflect the legal status of our Company pursuant to issuance of fresh certification of incorporation granted by the Registrar of Companies Mumbai, dated August 27, 2015.

Corporate Identification Number of our company is U51505MH2009PLC196683.

### Our Business

For a description of our activities, services, technology, market segments, the growth of our Company and regional geographical segment in which our Company, please refer chapters titled "Business Overview", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 124, 100 and 218 of this Draft Red Herring Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled "Our Management" beginning on page 160 of this Draft Red Herring Prospectus.

### Changes in registered office of the Company:

Our Company's registered office is presently situated at Artemis Complex, Gala no. 105 & 108, National Express Highway, Vasai (East) Thane – 401208. The details of changes in address of our registered office since incorporation are set as forth below:-

Date of Change of Registered Office	Old Address	New Address
May 30, 2013	142, Garuda House, Upper Govind Nagar, Near Kailashpuri Hanuman Temple, Malad (East) Mumbai 400097	Artemis Complex, Gala no. 105 & 108, National Express Highway, Vasai (East), Thane, Maharashtra – 401208, India

### Main Objects of our Company

The object of our Company is:

*"To carry on the business in India and abroad as Manufacturer, Traders, Distributers, Dealers, Exporter, Importer, Suppliers, Brokers, Stockiest & Commission Agent, Agency business, Processors Installation, Selling & Marketing Business, Processors installation, Selling & Marketing Business, Assembling, Develop, Electrical, Electronic and Instrumentation items, LED Package and LED Lighting products, Lamps, Street Lights, Display Panels, Modules, Electronic Products, Accessories and other components and devices, Engineering products goods, Plant & Machinery, Equipment, Apparatus and other Gadgets, Appliances, Accessories, Electronic Organisers, Contractors, Light Fitting, erect, to expand money in experimenting upon and testing and in improving or seeking to improve any patents inventions."*

## Amendments to the MoA

Since incorporation, following amendments have been made to the MoA:

Sr. No.	Date of Shareholders Approval	Particulars
1.	On Incorporation	The authorized capital of our company on incorporation comprised of Rs. 5,00,000/- consisting of 50,000 Equity shares of Rs. 10/- each
2.	January 04, 2010	Clause V of the MoA was amended to reflect the increase in the authorized share capital from Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000/- divided into 20,00,000 Equity shares of Rs. 10/- each.
3.	June 03, 2013	Clause V of the MoA was amended to reflect the increase in the authorized share capital from Rs. 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each to Rs. 2,50,00,000/- divided into 25,00,000 Equity shares of Rs. 10/- each.
4.	July 25, 2015	Clause V of the MoA was amended to reflect the increase in the authorized share capital from Rs. 2,50,00,000/- divided into 25,00,000 Equity shares of Rs. 10/- each to Rs. 5,00,00,000/- divided into 50,00,000 Equity shares of Rs. 10/- each.
5.	July 25, 2015	Clause III (C) of the MoA was deleted
6.	July 25, 2015	Clause I of MoA was amended to reflect the conversion of the Company from a private limited company to public limited company and the consequent change in name from "Artemis Electricals Private Limited" to "Artemis Electricals Limited"
7.	August 27, 2015	Conversion of company from Private Limited to Public Limited company and subsequent change of name of company from 'Artemis Electricals Private Limited' to 'Artemis Electricals Limited'.
8.	December 26, 2015	Clause V of the MoA was amended to reflect the increase in the authorized share capital from Rs. 5,00,00,000/- divided into 50,00,000 Equity shares of Rs. 10/- each to Rs. 7,00,00,000/- divided into 70,00,000 Equity shares of Rs. 10/- each.
9.	May 05, 2018	Clause V of the MoA was amended to reflect the increase in the authorized share capital from Rs. 7,00,00,000/- divided into 70,00,000 Equity shares of Rs. 10/- each to Rs. 22,00,00,000/- divided into 2,20,00,000 Equity shares of Rs. 10/- each.

## Key Events and Milestones

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

Year	Events
2009	Incorporation of our Company
2013	Crossed 500 Lacs Turnover
2015	Converted in to Public Limited Company and consequently the name was changed to "Artemis Electricals Limited"
2016	Crossed 2500 Lacs Turnover landmark
2017	Started supply of 10,000 Street lights of 24W to Karnataka State Electronics Development

Year	Events
	Corporation Limited (KEONICS)

**Time and cost overrun in setting up of projects**

Except as described under section titled “Risk Factors” beginning on page 25 of this Draft Red Herring Prospectus, there have been no instances of time and cost overruns in setting up of our projects in the past.

**Details of launch of key products or services, entry in new geographies or exit from existing markets**

For details pertaining to launch of key products or services, entry in new geographies or exit from existing markets, please refer chapter titled “Business Overview” beginning on page 124 of this Draft Red Herring Prospectus.

**Defaults or rescheduling/restructuring of borrowings of our Company with financial institutions/banks**

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

**Changes in the activities of our Company during the last five (5) years**

There has been no change in the activities of our Company during the last five (5) years which may have had a material effect on the statement of profit & loss of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors.

**Acquisition or divestments of business/undertakings, mergers and amalgamations**

Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

**Revaluation of assets**

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

**Strategic Partners**

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic partners

**Financial Partners**

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Red Herring Prospectus, our Company does not have any financial partner.

**Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries**

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary company.

**Joint Ventures**

As on the date of this Draft Red Herring Prospectus, our Company has no joint-ventures as on the date of this Draft Red Herring Prospectus.

**Shareholders and other material agreements**

As on the date on this Draft Red Herring Prospectus, our Company does not have any shareholders agreement and any other material agreement.



## OUR MANAGEMENT

### Board of Directors

Our Articles of Association require us to have not less than three (3) Directors and not more than fifteen (15) Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of four (4) Directors, out of which two (2) are executive Directors, one (1) are non-executive Directors and two (2) are Independent Directors (including a woman Director).

The following table sets forth the details of our Board as of the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
1.	<p><b>Pravin Agarwal</b></p> <p><b>Designation</b> – Promoter, Chairman &amp; Executive Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – 1105 Tower – A, Raheja Sherwood, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra, India</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of appointment as Chairman and Executive Director</b> – May 05, 2018</p> <p><b>Term</b> – Liable to retire by rotation</p> <p><b>Date of Birth:</b> April 05, 1971</p> <p><b>DIN</b> – 00845482</p>	47	<p><b>Public Limited Company:</b></p> <p>1- P.K Global Amusement Park Limited</p> <p><b>Private Limited Company:</b></p> <p>1- Golden Chariot Organics Pharma (India) Private Limited</p> <p>2- Dforce Electro Werke Private Limited</p> <p>3- PKSS Infrastructure Private Limited</p> <p>4- Vriti Infrastructure Private Limited</p> <p>5- Eternal Infra Private Limited</p> <p>6- Makindian Foods Private Limited</p> <p>7- Poonam Anjali Ventures Private Limited</p> <p>8- Garuda Construction And Engineering Private Limited</p> <p>9- P.K. Hospitality Services Private Limited</p> <p>10- Golden Chariot Retreats And Infra Private Limited</p> <p>11- Garuda Aviation Services Private Limited</p> <p>12- Deepa Travel Private Limited</p> <p>13- Garuda Telefilms Private Limited</p> <p>14- Ayesspea Holding and Investment Private Limited</p> <p>15- Eternal Building Assets Private Limited</p> <p>16- Waive Premises Private Limited</p> <p>17- Purple N Blue Events Private Limited</p> <p>18- BDMV Global Ventures Private Limited</p> <p><b>Limited Liability Partnership:</b></p> <p>1- Nil</p>
2.	<p><b>Ramniranjan Bhutra</b></p> <p><b>Designation</b> – Non- Executive Director</p> <p><b>Occupation</b> – Professional</p>	36	<p><b>Public Limited Company:</b></p> <p>1- P.K Global Amusement Park Limited</p> <p><b>Private Limited Company:</b></p> <p>1- Golden Chariot Organics Pharma (India) Private Limited</p> <p>2- Makindian Foods Private Limited</p>

Sr. No.	Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
	<p><b>Address</b> – G-401, Evershine Millennium Paradise Moon – 73, Thakur village, Evershine Dream Park, Kandivali East, Mumbai, – 400101. Maharashtra, India</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of appointment</b> – January 25, 2018</p> <p><b>Term</b> – Liable to retire by rotation</p> <p><b>Date of Birth:</b> October 08, 1982</p> <p><b>DIN</b> – 01459092</p>		<p>3- Electro Force (India) Private Limited</p> <p>4- Golden Chariot Hospitality Services Private Limited</p> <p>5- Garuda Rainbow Foods Private Limited</p> <p>6- Garuda Telefilms Private Limited</p> <p>7- P.K. Global Logistics (India) Private Limited</p> <p>8- Narrow Structures Private Limited</p> <p>9- Complete Aviation Solution Private Limited</p> <p>10- GC Leisure Private Limited</p> <p>11- Golden Chariot Retreats and Infra Private Limited</p> <p><b>Limited Liability Partnership:</b></p> <p>1- Resolute Advisors LLP</p>
3.	<p><b>Krishnakumar Bangera</b></p> <p><b>Designation</b> – Non-Executive Independent Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – 401, Jeevan Sathi, 18, Juhu Lane, C D Barfiwala Marg, inside New India Staff Quarters, Andheri West, Mumbai–400058, Maharashtra, India.</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of appointment</b> – December 01, 2015</p> <p><b>Term</b> – For a period of five consecutive years upto November 30, 2020</p> <p><b>Date of Birth:</b> April 18, 1951</p> <p><b>DIN</b> – 02082675</p>	67	<p><b>Public Limited Company</b></p> <p>1- Nil</p> <p><b>Private Limited Company</b></p> <p>1- Global Exchange Company Private Limited</p> <p><b>Limited Liability Partnership</b></p> <p>1 - Nil</p>
4.	<p><b>Richa Sharma</b></p> <p><b>Designation</b> – Non-Executive Independent Director</p> <p><b>Occupation</b> – Business</p>	31	<p><b>Public Limited Company</b></p> <p>1- Nil</p> <p><b>Private Limited Company</b></p> <p>1- Nil</p>

Sr. No.	Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
	<p><b>Address</b> – Flat No.102 Gunjan B wing, Gaurav Garden, Charkop, Kandivali West Mumbai- 400067, Maharashtra, India</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of Appointment</b> –May 05, 2018</p> <p><b>Term</b> – For a period of five consecutive years upto May 04, 2023</p> <p><b>Date of Birth:</b> September 16, 1987</p> <p><b>DIN</b> – 08122719</p>		<p><b>Limited Liability Partnership</b></p> <p>1 - Nil</p>
5.	<p><b>Shiv Singh</b></p> <p><b>Designation</b> – Whole Time Director</p> <p><b>Occupation</b> – Professional</p> <p><b>Address</b> – Garuda House, Atlanta Bldg., 102 to 110, Vitbhatti, Off Goregaon Mulund Link Road, Mumbai 400063.</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of Appointment</b> – December 29, 2018</p> <p><b>Term</b> – For a period of five consecutive years upto December 28, 2023</p> <p><b>Date of Birth:</b> May 01, 1968</p> <p><b>DIN</b> – 07203370</p>	50	<p><b>Public Limited Company</b></p> <p>1- Nil</p> <p><b>Private Limited Company</b></p> <p>1- Nil</p> <p><b>Limited Liability Partnership</b></p> <p>1 - Nil</p>

#### Relationship between our Directors

As on the date of this Draft Red Herring Prospectus, none of our directors are related to each other.

#### Relationship between our Directors and KMPs

As on the date of this Draft Red Herring Prospectus, none of our directors and KMPs are related to each other.

### **Brief biographies of our Directors**

#### **Pravin Agarwal**

Pravin Agarwal, aged 47 years, is the Promoter, Chairman and Executive Director of our Company. He started his journey in the field of Hospitality and Aviation related Industry. Then he ventured in manufacturing of LED products namely Emitters, Luminaires and Drivers. He is Director of the Company since incorporation and is designated as Chairman and Executive Director of the Company from May 05, 2018. He is actively involved in the decision making and management of the Company.

#### **Shiv Singh**

Shiv Kumar Singh, aged 50 years, is the Chief Financial Officer w. e. f. April 16, 2018 and Whole Time Director w.e.f. December 29, 2018 of our Company. He has completed Intermediate examination from The Institute of Chartered Accountants of India. Prior to joining our Company, he was working at Nanubhai & Co. He looks after financial matters of our Company.

#### **Ramniranjan Bhutra**

Ramniranjan Bhutra, aged 36 years, is appointed as Non-Executive Director of our Company w.e.f. January 25, 2018. He is Chartered Accountant from the Institute of Chartered Accountant of India. He provides opinion and guidance to our Company for operational issues and is involved in planning of new business development abroad.

#### **Krishnakumar Bangera**

Krishnakumar Bangera, aged 67 years is appointed as Non-Executive Independent Director of our Company w.e.f. December 01, 2015.

#### **Richa Sharma**

Richa Sharma, aged 31 years is appointed as Non-Executive Independent Director of our Company w.e.f. May 05, 2018. She has completed Bachelor of Arts from Kurukshetra University.

### **Confirmations**

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the last five (5) years prior to the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is or was, a director of any listed company, which has been or was delisted from any stock exchanges, during the term of his/her directorship in such company.

None of our sundry debtors are related to our Directors in any manner. For details, please refer section titled "*Financial Statements*" on page 182 of this Draft Red Herring Prospectus.

None of our Directors have been or was identified as a wilful defaulter as defined under SEBI ICDR Regulations.

No proceedings or investigations have been initiated by SEBI against any company, the board of directors which comprise of any of the Directors of our Company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

#### **Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

As on the date of this Draft Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

#### **Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the members at the EGM of the Company held on December 04, 2017, pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 and other enabling applicable provisions, if any, consent of the Company be is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and behalf of the Company, from time to time from any one or more persons, firms, bodies corporates, bankers or financial institution, or from others by way of advance, deposits, loans or otherwise and whether unsecured or secured by mortgage, hypothecation, or lien or pledge, of the Company's assets and properties, whether movable or immovable or stock-in process and debts, advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital and its free reserves of our Company, provided that the total outstanding amount so borrowed shall not exceed the limit of ₹ 3,000 Lakhs.

#### **Payment or benefit to Directors of our Company**

##### **1. Terms of Appointment of Executive Directors**

###### **a. Pravin Agarwal**

Pravin Agarwal was Director of Company at the time of Incorporation i.e. September 29, 2009. However, he resigned from Company on March 30, 2012. Subsequently, he was re-appointed as Non-Executive Director on July 25, 2015. However, he was re-designated as Executive Director and Chairman of the Company on May 28, 2018 is subject to liable retirement by rotation. The following are the terms of remuneration:

<b>Terms of remuneration</b>	<b>Amount in ₹</b>
Basic Salary (Fixed)	2,50,000 per month
<b>Total</b>	<b>2,50,000 per month</b>

In the event in any financial year during the tenure of Pravin Agarwal, our Company does not earn any profits or earns inadequate profit, our Company may pay to Pravin Agarwal, remuneration as per the provisions of Schedule V of the Companies Act.

## b. Shiv Singh

Shiv Singh is designated as Whole Time Director of the Company on December 29, 2018 and is also the Chief Financial Officer of the Company and is subject to liable retirement by rotation.

**Salary and Perquisites/Allowances:** Rs. 59,410/- per month as remuneration and with power to the board to increase the remuneration in accordance with the provisions of his duties.

The value of the perquisites would be evaluated as per the Income Tax Rules, 1962, wherever applicable, and at cost in the absence of any such rules.

In the event in any financial year during the tenure of Shiv Singh, our Company does not earn any profits or earns inadequate profit, our Company may pay to Shiv Singh, remuneration as per the provisions of Schedule V of the Companies Act.

## 2. Remuneration to Non-Executive Directors

The details of remuneration paid to our Non-Executive Directors during Financial Year 2017-18 are as follows:

(₹ in Lakhs)

Name of non-executive Directors	Sitting fees (₹)	Commission	Other remuneration, if any
Ramniranjan Bhutra*	25,000	NA	NA
Krishnakumar Bangera	25,000	NA	NA
Richa Sharma	25,000	NA	NA

\*Ramniranjan was appointed January 25, 2018 was Nil or as may be decided by Board of Directors subsequent.

## Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Red Herring Prospectus is set forth below:

Name of director	Number of equity shares	Pre-Issue Percentage shareholding (%)
Pravin Agarwal	17,08,125	12.83%
Ramniranjan Bhutra	6,65,553	5.00%
<b>Total</b>	<b>23,73,678</b>	<b>17.83%</b>

## Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently hold any office, or place of profit in our Company.

## Interest of directors

All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our executive Directors are interested to the extent of remuneration, discretionary performance, variable pay and annual retention bonus payable to them for services rendered as an officer or employee of our Company. Our Independent Directors are also interested to the extent of profit related commission payable to them. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and

promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled “*Our Management - Shareholding of Directors in our Company*” beginning on page 160 of this Draft Red Herring Prospectus.

All of the Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in which they hold directorships. Except as otherwise stated in section titled “*Financial Statements*” on page 182 of this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during two (2) years preceding the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them. Other than our Promoter Directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

#### **Interest in property of our Company**

Our Directors have no interest in any property acquired by our Company in a period of two (2) years prior to the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

#### **Business Interest**

Except as stated in section titled “*Financial Statements*” on page 182 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, and any dividends payable to them and other distributions in respect of the Equity Shares, our Directors do not have any other interest in our business.

#### **Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered and/or sitting fees as Directors.

#### **Loans to directors**

No loans have been availed by the Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

#### **Bonus or profit-sharing plan for the Directors**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **Service contracts with Directors**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any service contracts with Directors.

Our Directors are not interested in the appointment of or acting as Registrar to the Issue and Bankers to the Issue or any such intermediaries registered with SEBI. There is no contingent or deferred compensation accrued for the year, which is payable to our Directors.

#### **Changes in the board of directors in the last three (3) years**

There has been no change in the Board of Directors, except as stated below during the last three (3) years:

Name of the Director	Designation	Date of appointment / Cessation / change in designation	Reason
Venkatesh Kumar Tirupatipanyam	Non-Executive Independent Director	January 20, 2018	Resigned as Non-Executive Independent Director
Ramniranjan Bhutra	Non-Executive Director	January 25, 2018	Appointment as Non-Executive Director
Sudhir Kumar Agarwal	Whole Time Director	April 16, 2018	Resigned as Whole Time Director
Priti Agarwal	Non-Executive Director	April 16, 2018	Resigned as Non-Executive Independent Director
Chandrasah Shetty	Whole Time Director	May 05, 2018	Appointment as Whole Time Director
Richa Sharma	Non-Executive Independent Director	May 05, 2018	Appointment as Non-Executive Independent Director
Pravin Kumar Agarwal	Non-Executive Director	May 25, 2018	Change in Designation from Non-Executive Director to Executive Director & Chairman
Chandrasah Shetty	Whole Time Director	November 19, 2018	Resigned as Whole Time Director

### Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on BSE SME will also be applicable to us immediately upon the listing of our Equity Shares with the BSE SME. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations, SEBI regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board, detailed reports on its performance periodically.

As on the date of this Draft Red Herring Prospectus, our Board has four (5) Directors. In compliance with the requirements of the Companies Act and SEBI Listing Regulations, to the extent applicable we have one (2) executive Directors, one (1) non-executive Directors and two (2) Independent Directors on our Board. Our Chairman is an executive Director and further, in compliance with SEBI Listing Regulations and Companies Act, we have one (1) woman director on our Board, who is a Non-Executive Independent Director.

### Committees of the Board of directors

Our Board of Directors presently has four (4) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee (iii) Corporate Social Responsibility Committee and (iv) IPO Committee.



### (i) Audit Committee

Our Company has re-constituted an Audit Committee as per Section 177 of the Companies Act vide resolution passed in the meeting of our Board dated May 05, 2018. The current constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Krishnakumar Bangera	Chairman	Non-Executive Independent Director
Richa Sharma	Members	Non-Executive Independent Director
Pravin Agarwal	Members	Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### Role of Audit Committee

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

- Recommending to the Board, the appointment, re-appointment including the filling of a casual vacancy and, if required, the replacement or removal of the auditor/s, remuneration and terms of appointment of auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the company's financial statements and the auditor's report;
- approval including omnibus approval or any subsequent modification for related party transactions proposed to be entered into by the Company;

- scrutiny of inter -corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- reviewing, with the management, the financial statements before submission to the Board for approval;
- reviewing, with the management, performance of Auditors and internal auditors;
- carrying out such other functions as delegated by the Board of Directors.

#### **Meeting of Audit Committee & relevant Quorum**

The audit committee shall meet at least 4 times in a year and not more than 120 days shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater

#### **(ii) Nomination and Remuneration Committee**

Our Company has re-constituted a Nomination and Remuneration committee as per section 178 of the Companies Act vide resolution passed in the meeting of Board dated May 05, 2018. The current constitution of the Nomination and Remuneration committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Richa Sharma	Chairman	Non-Executive Independent Director
Krishna Kumar Bangera e	Member	Non-Executive Independent Director
Ramniranjan Bhutra	Member	Non – executive Director

The scope and functions of the Nomination and Remuneration Committee are in conformity with the requirements of section 178 of the Companies Act.

#### **Role of Nomination and Remuneration Committee**

The terms of reference of the Nomination and Remuneration Committee, inter alia includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management of the Company;
- formulate criteria for determining qualification, positive attributes and independence of a director;
- recommend to the Board appointment and removal of a director and senior management;
- evaluate the Board’s performance and carry out evaluation of directors, key managerial persons and senior management;
- evaluate the Board’s performance and carry out evaluation of every director’s performance;
- make recommendations to the Board relating to the remuneration for directors, key managerial personnel and other employees;
- ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management to run the Company successfully;
- ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.;
- delegate any of its powers to one or more of its members or the secretary of the Committee;
- consider such other key issues or matters as may be referred by the Board or as may be necessary in view of the provisions of the Act and Rules made thereunder.

2. **Meetings:** The Committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the Committee or two members whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven days' notice in advance.
3. **Quorum:** The quorum shall be either two (2) members or one third of the member of the committee whichever is greater

**(iii) Corporate Social Responsibility Committee**

The Corporate Social Responsibility committee was re-constituted by a resolution of our Board dated May 05, 2018. The current constitution of the Corporate Social Responsibility committee is as follows:

Name of Director	Position in the Committee	Designation
Richa Sharma	Chairman	Non-Executive Independent Director
Krishnakumar Bangera	Member	Non-Executive Independent Director
Shiv Singh	Member	Whole Time Director

The scope and functions of the Corporate Social Responsibility committee are in conformity with the requirements of section 135 of the Companies Act. The terms of reference of the Corporate Social Responsibility Committee, inter alia includes the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR Policy of the Company from time to time;
- Adhere to section 135 of the Companies Act & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification & amendments or re-enactments thereto for time being in force);
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**(iv) Stakeholders Relationship Committee**

Our Company has Stakeholders Relationship Committee as per the Section 178 of the Companies Act vide resolution passed in the meeting of Board dated May 05, 2018 The current constitution of the Stakeholders Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Ramniranjan Bhutra	Chairman	Non – executive Director
Krishnakumar Bangera	Member	Non-executive Independent Director
Shiv Singh	Member	Whole Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder’s Relationship Committee.

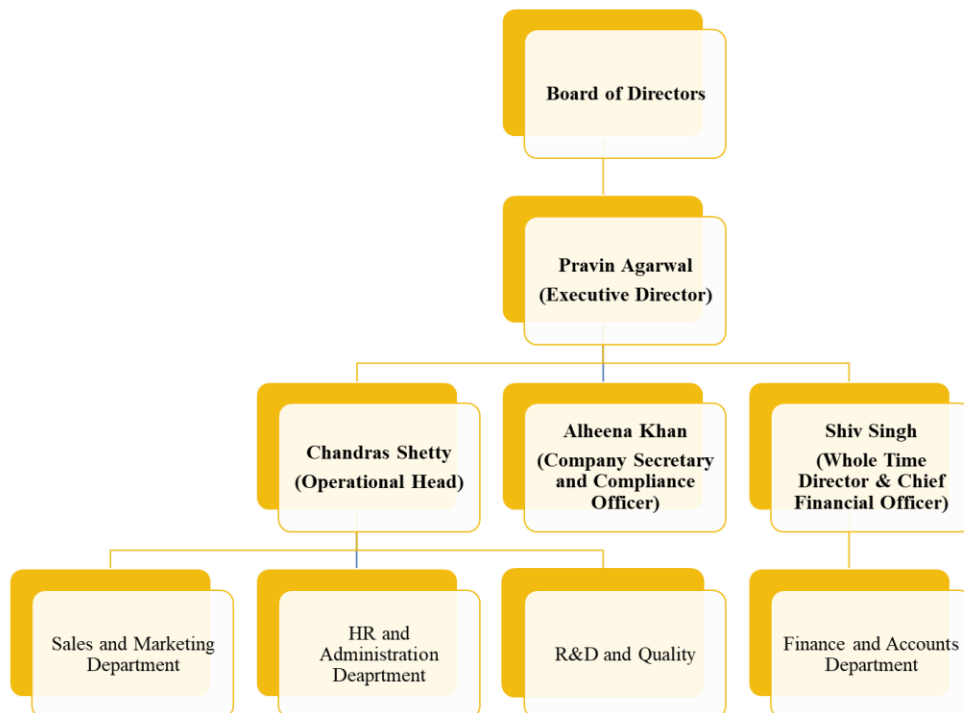
The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and functions of the Stakeholders Relationship Committee are in conformity with the requirements of section 178 of the Companies Act.

## Role of Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee, inter alia includes the following:

- The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.
- Efficient transfer of shares including review of cases for refusal of transfer/transmission of shares and debentures;
- Matters related to share transfer, issue of duplicate share certificate, dematerializations. Also delegate powers to the executive of our Company to process transfer etc.
- Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/transmission of shares and debentures;
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- Allotment and listing of shares;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

## Management Organization Structure



## Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

### Pravin Agarwal, Promoter, Chairman and Executive Director

Pravin Agarwal, aged 47 years, is the Promoter, Chairman and Executive Director of our Company. He started his journey in the field of Hospitality and Aviation related Industry. Then he ventured in manufacturing of LED products namely Emitters, Luminaires and Drivers. He is Director of the Company since incorporation and is designated as Chairman and Executive Director of the Company from May 05, 2018. He is actively involved in the decision making and management of the Company.

### Shiv Singh, Whole Time Director and Chief Financial Officer

Shiv Kumar Singh, aged 50 years, is the Chief Financial Officer w. e. f. April 16, 2018 and Whole Time Director w.e.f. December 29, 2018 of our Company. He has completed Intermediate examination from The Institute of Chartered Accountants of India. Prior to joining our Company, he was working at Nanubhai & Co. He looks after financial matters of our Company.

### Alheena Khan, Company Secretary and Compliance Officer

Alheena Khan, aged 29 years, is Company Secretary and Compliance Officer of our Company w.e.f. April 1, 2018. She is a qualified Company Secretary and Associate Member of Institutes of Company Secretaries of India. She looks after the Secretarial Compliance Department of the Company.

All the KMPs of our Company are permanent employees of the Company.

### Nature of any family relation between any of the key managerial personnel

As on the date of this Draft Red Herring Prospectus, none of our Directors or Key Managerial Personnel's and Promoters are related to each other.

### Arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Directors or Key managerial personnel were selected as a Director or member of the senior management.

### Compensation paid to Key Managerial Personnel during last Financial Year i.e. 2017-2018

*(₹ in Lakhs)*

Sr. No.	Particulars of Remuneration	Company Secretary <sup>#</sup>	Chief Financial Officer <sup>#</sup>	Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Options	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

#Shiv Singh was appointed as Chief Financial Officer w.e.f. April 16, 2018. and Alheena Khan were appointed as Company Secretary and Compliance Officer w.e.f. April 1, 2018.

#### **Bonus or profit-sharing plan for Key Managerial Personnel**

None of the Key Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

#### **Shareholding of the Key Managerial Personnel**

Except as disclosed below, none of the Key Managerial Personnel holds Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No of Equity Shares</b>	<b>% of Pre-offer Equity Share Capital</b>
1	Shiv	1,33,110	0.99%
	<b>Total</b>	<b>1,33,110</b>	<b>0.99%</b>

#### **Changes in Key Managerial Personnel**

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years:

<b>Name of KMP</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Chandahas Shetty	Chief Financial Officer	March 10, 2018	Resignation from Chief Financial Officer
Megha Gandhi	Company Secretary and Compliance Officer	March 10, 2018	Resignation from Company Secretary and Compliance Officer
Alheena Khan	Company Secretary and Compliance Officer	April 01, 2018	Appointment as Company Secretary and Compliance Officer
Chandahas Shetty	Chief Executive Officer	April 01, 2018	Appointment as Chief Executive Officer
Sudhir Kumar Agarwal	Whole-time Director	April 16,2018	Resignation from Whole time Director
Priti Agarwal	Director	April 16,2018	Resignation as Director
Shiv Singh	Chief Financial Officer	April 16, 2018	Appointment as Chief Financial Officer
Chandahas Shetty	Whole-time Director	May 05, 2018	Appointment as Whole-time Director
Pravin Agarwal	Whole-time Director	May 28, 2018	Designated as Whole Time Director
Chandahas Shetty	Chief Executive Officer & Whole-time Director	November 19, 2018	Resignation from Chief Executive Officer & Whole-time Director
Shiv Singh	Whole-time Director	December 29, 2018	Designated as Whole Time Director

#### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Red Herring Prospectus, the Key Managerial Personnel's of our Company do not have any interest in our Company other than to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **Loans taken by Directors or Key Managerial Personnel**

None of our Directors or Key Managerial Personnel have taken any loans from our Company.

**Employees' Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option scheme.

**Payment or benefits to officers of our Company**

Except as disclosed in this Draft Red Herring Prospectus, other than statutory payments and remuneration, in the last two (2) years our Company has not paid any non-salary amount or benefit to any of its officers.

**Service Contracts with KMPs**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any service contracts with the KMPs.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company are Pravin Agarwal and M/s. Yashvikram Infrastructure Private Limited. As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 60,14,625 equity shares representing 45.19% of the pre – issue paid up capital of our Company.

### Details about our individual Promoters

#### 1. Pravin Agarwal



Pravin Agarwal, aged 47 years, is the Promoter, Chairman and Executive Director of our Company. He started his journey in the field of Hospitality and Aviation related Industry. Then he ventured in manufacturing of LED Luminaries. He is Director of the Company since incorporation and is designated as Chairman and Executive Director of the Company from May 05, 2018. He is actively involved in the decision making and management of the Company.

**Date of Birth:** April 05, 1971

**Permanent Account Number:** AAEP2401K

**Aadhar Card Number:** 6324 8119 0497

**Driving License:** – Not Available

**Address:** 1105 Tower A, Raheja Sherwood, Western Express Highway B/H Hub Mall, Goregaon East Mumbai – 400063.

For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements, please refer chapter titled “Our Management” beginning on page 160 of this Draft Red Herring Prospectus.

### Details of our Corporate Promoter

#### 1. M/s Yashvikram Infrastructure Private Limited (YIPL)

M/s Yashvikram Infrastructure Private Limited (YIPL) was incorporated on December 14, 2004 as a Private Limited Company under the Companies Act, 1956 and registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U45200MH2004PTC149996. The registered office of YIPL is situated at 142, Garuda House, Upper Govind Nagar, Malad (East), Mumbai – 400097. The Paid-up Share capital of the company is Rs. 9,68,06,150 /- including both, Equity as well as Preference Share Capital.

#### Main objects of YIPL is as follows:

*To carry on the business of builders and contractors to layout, develop, construct, build, erect, demolish, re-erect, alter, repairs, re-model or do any other work in connection with any building or building scheme, roads, highways, docks, ships, sewers, bridges, canals, wells, springs, serais, dams, power plants, bours, wharves, ports, reservoirs, embankments, tramway, railways, irrigations, reclamations, improvements, sanitary, water, gas, electric lights, telephonic, telegraphic and power supply works or any other structural or any other architectural work of any kind whatsoever and for such purpose to prepare estimates, designs, plants, specification or models and do such other or any act that may be requisite therefore.*

As on the date of this Draft Red Herring Prospectus, YIPL holds 32.35% of pre-issue paid-up capital of our Company



**Our Corporate Promoter is promoted by:**

1. Sudhir Agarwal
2. Alok Agarwal

**Board of Directors**

The Board of Directors of YIPL as on date of this Draft Red Herring Prospectus is as under

1. Alok Kumar Agarwal
2. Sudhir Kumar Agarwal

There has been no change in Management and control of YIPL in three years preceding the date of this Draft Red Herring Prospectus.

**Audited financial Position:**

Financial information of YIPL is as follows:

Particulars	(Rs. in Lakhs)		
	For the year ended March 31,		
	2018	2017	2016
Share Capital	968.06	968.06	968.06
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	331.52	380.78	408.60
<b>Net worth</b>	<b>1,299.58</b>	<b>1,348.84</b>	<b>1,376.66</b>
Income including other income	278.46	284.67	346.90
Profit/ (Loss) after tax	(49.26)	(27.82)	82.66
Earnings per share (face value of 10 each)	(2.45)	(1.38)	4.11
Net asset value per share (Rs)	6.47	<b>6.71</b>	<b>6.85</b>

**Shareholding Pattern**

YIPL shareholding pattern as at March 31, 2018 is as follows:

**Equity Shares:**

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Sudhir Agarwal	20,03,000	99.65 %
2.	Pravin Agarwal	4,000	0.20%
3.	Alok Agarwal	3,000	0.15%
	<b>Total</b>	<b>20,10,000</b>	<b>100 %</b>

**Preference Shares:**

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Deepa Travel Private Limited	11,77,248	15.35%
2.	Garuda Aviation Services Private Limited	52,51,527	68.46%
3.	Golden Chariot Hospitality Services Private Limited	4,81,840	6.28%
4.	Pravin Kumar Agarwal	7,60,000	9.91%
	<b>Total</b>	<b>76,70,615</b>	<b>100.00%</b>

**Declaration**

Our Company confirms that the Permanent Account Number(s), Bank Account Number(s) of both the promoters and the Company Registration Numbers and the addresses of the Registrars of Companies where Yashvikram Infrastructure Private Limited are registered shall be submitted to the recognized

stock exchanges on where the specified securities are proposed to be listed, at the time of filing the Draft Red Herring Prospectus with them.

### **Interest of Promoters in our Company**

#### *Interest in promotion of our Company*

Our Company is promoted by Pravin Agarwal who holds 17,08,125 Equity Shares of our Company, as of the date of this Draft Red Herring Prospectus.

Some of our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings and directorships in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For further details, please refer chapters titled "*Capital Structure*" and "*Our Management*" beginning on pages 66 and 160, respectively of this Draft Red Herring Prospectus. Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company. For further details, please refer chapters titled "*Capital Structure - Shareholding of our Promoters and Promoter Group*" beginning on page 66 and "*Financial Statements*" on page 182, respectively of this Draft Red Herring Prospectus.

Some of our Promoters are also interested in our Company to the extent of being executive Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities. For further details in this regard, please refer chapter titled "*Our Management*" on page 160 of this Draft Red Herring Prospectus.

#### *Interest in the properties of our Company*

Our Promoters and members of Promoter Group do not have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Red Herring Prospectus.

#### *Interest as members of our Company*

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled "*Capital Structure*" beginning on page 66 of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters and our Promoters are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

### **Other Interest**

Our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, our Promoters i.e. Pravin Agarwal is director on the board and members of certain Promoter Group companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Except in the ordinary course of business and as stated in section "*Financial Statements*" beginning on page 182 of this Draft Red Herring Prospectus, there has been no payments or benefits to our Promoters during the last two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus. For the avoidance of doubt, it is clarified that payments have been

made to Pravin Agarwal pursuant to their appointment / re-appointment as whole-time director of our Company during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus.

### **Change in the Management and control of Our Company**

Our Promoters are the original promoters of our Company and there has been no change in the management or control of our Company.

### **Experience of our Promoters in the business of Our Company**

Our Promoters i.e. Pravin Agarwal have experience in this sector of business for approx. nine years. For further details in this regard, please refer chapter titled *"Our Management"* beginning on page 160 of this Draft Red Herring Prospectus.

### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled *"Outstanding Litigation and Material Developments"* beginning on page 227 of this Draft Red Herring Prospectus.

### **Other Confirmations**

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled *"Outstanding Litigation and Material Developments"* beginning on page 227 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

### **Guarantees**

Except as stated in the chapter titled *"Financial Indebtedness"* and section titled *"Financial Statements"* beginning on page 225 and 182 of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

### **Details of Companies / Firms from which our Promoters have disassociated**

None of our Promoters have disassociated themselves from any firms or companies in the last three (3) years preceding this Draft Red Herring Prospectus.

<b>Sr. No</b>	<b>Name</b>	<b>Company</b>	<b>Date</b>
1.	Pravin Kumar	Golden Chariot Hospitality Services Private Limited	16/02/2017
	Agarwal	Golden Chariot Delhi Foods Private Limited	25/03/2016

### **Related party transactions**

Except as stated in the section titled *"Financial Statements"* beginning on page 182 of this Draft Red Herring Prospectus, our Company has not entered into any related party transactions with our Promoters, during the last five (5) Fiscals. Our Promoters are also directors on the boards, or are members of certain Promoter Group companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies.

Further, none of our sundry debtors are related to our Promoters in any manner other than as stated in section titled “Financial Statements” beginning on page 182 of this Draft Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

In addition to our Promoters, the following individuals, companies form part of our Promoter Group in terms of SEBI ICDR Regulation 2(1) (pp) of the SEBI ICDR Regulations:

##### **a) Individuals forming part of the Promoter Group:**

<b>Sr. No.</b>	<b>Name of the individuals</b>
1.	Brijendra Agarwal*
2.	Urmila Agarwal*
3.	Jyotsna Agarwal
4.	Manav Agarwal*
5.	Anjali Agarwal*
6.	Madhubala Agarwal*
7.	Alok Agarwal
8.	Sudhir Agarwal
9.	Vrinda Goyal*
10.	Vikas Goyal*
11.	Roshna Garg*

In context of the aforementioned persons, our Promoter has confirmed that the information related to the business/financial interest held by the said relatives is not accessible for the purpose of disclosure in the Draft Red Herring Prospectus/Red Herring Prospectus and Prospectus. Therefore, the disclosures made in the Draft Red Herring Prospectus are limited to the extent of information that has been made available by our Promoter in relation to the Promoter Group.

##### **b) Companies forming part of the Promoter Group:**

<b>Sr. No.</b>	<b>Name of the entity/company</b>
1.	Pravin Kumar Agarwal HUF
2.	Sudhir Kumar Agarwal HUF
3.	Priyanka Allied Services
4.	Alok Enterprises
5.	Electroplast Engineers
6.	RF Fiza Hospitality Services
7.	GLS Electrovision Private Limited
8.	Electroplast (India) Private Limited
9.	Artemis Opto Electronic Technologies Private Limited.
10.	P.K. Explorations and Mines Private limited
11.	Dforce Electro Werke Private Limited
12.	Gallic Electro Technologies Private limited
13.	Poonam Anjali Ventures Private Limited
14.	P.K.Hospitality Services Private Limited
15.	Golden Chariot Hospitality Services Private Limited
16.	Golden Chariot Retreats and Infra Private Limited
17.	Aroma Coffees Private Limited
18.	Garuda Aviation Services Private Limited
19.	Complete Aviation Solutions Private limited
20.	Deepa Travel Private Limited
21.	Waive Premises Private Limited

<b>Sr. No.</b>	<b>Name of the entity/company</b>
22.	PK Global Trends Private Limited
23.	Rudraksha Landscapes Private Limited
24.	MakIndian Foods Private Limited
25.	Electro Force (India) Private Limited
26.	P.K. Global Logistics (India) Private limited
27.	Pk Infrastructure Private Limited
28.	Ayesspea Holdings and Investments Private Limited
29.	Vinayak Cement Corporation Limited
30.	NS Patil Developers Private Limited

#### **Shareholding of the Promoter Group in our Company**

For details of the shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus, please refer chapter titled “*Capital Structure*” beginning on page 66 of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled "*Financial Indebtedness*" beginning on page 225 of this Draft Red Herring Prospectus. Our Company may also pay interim dividends from time to time. All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Red Herring Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

## SECTION – VI – FINANCIALS STATEMENTS

### RESTATED FINANCIAL STATEMENT

To,  
The Board of Directors,  
Artemis Electricals Limited  
Artemis Complex, Gala No. 105 & 108,  
National Express Highway, Vasai (East),  
Thane – 401 208, Maharashtra, India

#### **Auditors' Report on Restated Standalone Financial Information in connection with the Initial Public Offering of Artemis Electricals Limited**

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated November 19, 2018.
2. The accompanying restated financial information, expressed in Indian Rupees, in Lakhs, of Artemis Electricals Limited (hereinafter referred to as the "Company"), comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of section 26 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules") and item (11)(II) of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date on December 31, 2018 issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") read with the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note 2019") and has been approved by the Board of Directors and initialed by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company for the six months period ended September 30, 2018 and for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, (all of which were expressed in Indian Rupees), on which we have expressed unmodified audit opinions vide our reports dated December 31, 2018, May 28, 2018, August 09, 2017 and August 18, 2016 respectively.
3. We had earlier issued 'Auditors' Report on Restated Standalone Financial Information' on December 31, 2018 for the six months ended September 30, 2018 along with the Restated Financial Information for the period then ended. With the issuance of this report, the aforementioned report along with the accompanying Restated Financial Information for the six months ended September 30, 2018 issued on December 31, 2018 shall stand withdrawn. The reason for reissuance of Restated Financial Information is because of adoption of actuarial valuation of Gratuity by the Company which was not available at the time of issuance of the earlier report and the same was disclosed under Note H of the Summary of significant Accounting Policies and Practices. The accompanying Restated Financial Information considers and accounts for the impact of the actuarial valuation of defined benefit obligation on the state of affairs and the profit and loss of the Company.

#### **Management's Responsibility for the Restated Financial Information**

4. The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on December 31, 2018 for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and

maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

#### **Auditors' Responsibilities**

5. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 26 of the Act read with applicable provisions within Rule 4 to Rule 6 of the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

#### **A. Financial Information as per audited standalone financial statements:**

6. We have examined the following summarized financial statements of the Company contained in Standalone Financial Information of the Company:
  - a) the "Restated Statement of Assets and Liabilities" as at September 30, 2018, March 31, 2018, 2017 and 2016 (enclosed as Annexure I);
  - b) the "Restated Statement of Profit and Loss" for the six months period ended September 30, 2018 and for the years ended March 31, 2018, 2017 and 2016 (enclosed as Annexure II) and
  - c) the "Restated Statement of Cash Flows" for the six months period ended September 30, 2018 and for the years ended March 31, 2018, 2017 and 2016 (enclosed as Annexure III).
7. The Restated Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited financial statements of the Company read with paragraph 8 below, as at September 30, 2018, March 31, 2018, 2017 and 2016, all of which expressed in Indian Rupees and for the six months period ended September 30, 2018 and for the years ended March 31, 2018, March 31, 2017, and March 31, 2016, all of which expressed in India Rupees.
8. We draw your attention to the following:
  - a) the Restated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 9(i) below);
  - b) the Restated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
9. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2018. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2018.

#### **B. Other Financial Information:**

10. At the Company's request, we have also examined the following Other Financial Information relating to the Company as at September 30, 2018, March 31, 2018, 2017 and 2016 and for the six month period ended September 30, 2018 and for the years ended March 31, 2018, March 31, 2017, and March 31, 2016 proposed to be included in the offer document, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
  - a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure IV
  - b) Notes to the Restated Standalone Financial Information as enclosed in Annexure V



- c) Restated Statement of Reserves & Surplus as enclosed in Annexure VI
  - d) Restated Statement of Secured Borrowings as enclosed in Annexure VII
  - e) Restated Statement of Principle Terms of Secured Borrowings outstanding as at September 30, 2018 as enclosed in Annexure VII(A)
  - f) Restated Statement of Unsecured Borrowings as enclosed in Annexure VIII
  - g) Restated Statement of Current Liabilities & Provisions as enclosed in Annexure IX
  - h) Restated Statement of Investments as enclosed in Annexure X
  - i) Restated Statement of Trade Receivables as enclosed in Annexure XI
  - j) Restated Statement of Loans and Advances as enclosed in Annexure XII
  - k) Restated Statement of Other Current Assets as enclosed in Annexure XIII
  - l) Restated Statement of Other Income as enclosed in Annexure XIV
  - m) Restated Statement of Accounting Ratios as enclosed in Annexure XV
  - n) Restated Statement of Capitalisation as enclosed in Annexure XVI
  - o) Restated Statement of Tax Shelter as enclosed in Annexure XVII
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**Opinion**

12. In our opinion:
- a) the Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
  - b) there have been no changes in accounting policies of the Company (as disclosed in Annexure IV to this report);
  - c) there are no qualifications in the Auditors' Report which require any adjustments; and
  - d) there are no extra-ordinary items which needs to be disclosed separately.
13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the financial statements of the Company.

**Restriction on Use**

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

**For Mittal Agarwal & Company**  
Chartered Accountants  
(Firm Registration No. 131025W)

Place: Mumbai  
Dated: February 25, 2019

**Deepesh Mittal**  
Partner  
Membership No. 539486

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<b>Artemis Electricals Limited</b>		
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2	Restated Statement of Profit and Loss	II
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**ANNEXURE I – Restated Standalone Statement of Assets and Liabilities of Artemis Electricals Limited**  
(Rs.in lakhs)

Particulars	As at			
	September 30,2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Equity and Liabilities</b>				
<b>Shareholders' Funds</b>				
Share Capital	1,331.10	443.70	443.70	443.70
Reserve & Surplus	1,000.73	1,353.67	400.77	223.73
<b>Non Current Liabilities</b>				
Long Term Borrowings	660.50	1,076.28	42.22	34.93
Deferred Tax Liabilities (Net)	19.39	15.56	2.26	0.59
Long Term Provisions	11.91	10.83	7.86	5.04
<b>Current Liabilities</b>				
Short Term Borrowings	200.00	151.28	-	-
Trade Payables	2,078.66	2,002.51	797.20	114.61
Other Current Liabilities	547.90	1,066.58	112.34	499.42
Short Term Provisions	767.66	612.19	162.72	56.85
<b>Total</b>	<b>6,617.85</b>	<b>6,732.59</b>	<b>1,969.07</b>	<b>1,378.89</b>
<b>Assets</b>				
<b>Fixed Assets:</b>				
Tangible Assets	1,566.85	1,631.38	133.15	118.99
Intangible Assets	-	-	-	-
Long Term Loans & Advances	181.79	282.77	350.79	301.94
<b>Current Assets</b>				
Inventories	2,036.26	1,921.22	427.10	289.77
Trade Receivables	1,997.00	2,501.90	1,003.70	629.89
Cash and Bank Balances	9.66	2.55	4.74	7.70
Other Current Assets	826.29	392.77	49.59	30.60
<b>Total</b>	<b>6,617.85</b>	<b>6,732.59</b>	<b>1,969.07</b>	<b>1,378.89</b>

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

**ANNEXURE II – Restated Standalone Statement of Profit and Loss of Artemis Electricals Limited**
**(Rs.in lakhs)**

Particulars	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Income</b>				
Revenue from Operations	5065.25	8947.63	4723.87	4531.21
Other Income	-	3.68	-	2.66
<b>Total</b>	<b>5,065.25</b>	<b>8,951.31</b>	<b>4,723.87</b>	<b>4,533.87</b>
<b>Expenditure</b>				
Cost of Material Consumed	3,964.90	7,403.49	4,019.49	4,065.56
Changes in Inventories of Finished Goods	(126.24)	(510.78)	107.72	(151.06)
Employee Benefit Expenses	75.83	146.48	114.80	96.26
Finance Costs	36.24	36.91	0.61	20.76
Depreciation and Amortisation Expense	82.49	51.83	23.54	16.89
Other Expenses	233.75	408.70	171.67	276.88
<b>Total</b>	<b>4,266.97</b>	<b>7,536.63</b>	<b>4,437.83</b>	<b>4,325.30</b>
<b>Profit before Tax and exceptional items</b>	<b>798.29</b>	<b>1,414.68</b>	<b>286.04</b>	<b>208.57</b>
Exceptional Items	-	-	-	-
<b>Net Profit before Tax</b>	<b>798.29</b>	<b>1,414.68</b>	<b>286.04</b>	<b>208.57</b>
<b>Less: Provision for Taxes</b>				
Current Tax	260.00	448.48	107.33	68.00
MAT Credit Entitlement	-	-	-	(12.24)
Deferred Tax	3.82	13.30	1.67	(1.95)
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>534.47</b>	<b>952.90</b>	<b>177.04</b>	<b>154.76</b>
Extra Ordinary Items	-	-	-	-
<b>Net Profit after Tax</b>	<b>534.47</b>	<b>952.90</b>	<b>177.04</b>	<b>154.76</b>

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

Annexure III - Restated Standalone Statement of Cash Flows of Artemis Electricals Limited

(Rs.in lakhs)

Particulars	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxes	798.29	1,414.68	286.04	208.57
Adjustment for:				
Add: Depreciation	82.49	51.83	23.53	16.89
Add: Interest & Finance Charges	-	36.91	0.61	20.76
Less: Interest Income	36.24	(1.30)	-	-
<b>Operating Profit before Working capital changes</b>	<b>917.02</b>	<b>1,502.11</b>	<b>310.18</b>	<b>246.22</b>
Adjustments for:				
Decrease (Increase) in Trade & Other Receivables	504.90	(1,498.20)	(373.81)	(427.34)
Decrease (Increase) in Short Term Loans & Advances	(433.52)	(343.18)	(18.99)	-
Decrease (Increase) in Inventories of Finished Goods, Stock-in-Trade & Scrap	(115.04)	(1,494.12)	(137.33)	(207.14)
Decrease (Increase) in Other Current Assets (Excluding Advance Tax and TDS)	-	-	-	(13.08)
Increase (Decrease) in Trade Payables	76.15	1,205.31	696.61	15.72
Increase (Decrease) in Other Current Liabilities	(518.68)	954.24	(399.37)	485.18
Increase (Decrease) in Long Term Provisions (Excluding Provision for Taxes)	1.08	2.97	2.82	1.72
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	2.78	10.67	1.68	(5.74)
<b>Net Changes in Working Capital</b>	<b>(482.33)</b>	<b>(1162.31)</b>	<b>(228.38)</b>	<b>(150.67)</b>
<b>Cash Generated from Operations</b>	<b>434.69</b>	<b>339.81</b>	<b>81.80</b>	<b>95.54</b>
Less: Taxes	(107.31)	(9.68)	(4.89)	(15.39)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>327.39</b>	<b>330.13</b>	<b>76.91</b>	<b>80.15</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale / (Purchase) of Fixed Assets	(17.96)	(1,550.07)	(37.69)	(17.64)
Interest Income	-	1.30	-	-
Decrease (Increase) in Long Term Loans & Advances	100.98	68.02	(48.85)	(141.00)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>83.02</b>	<b>(1,480.75)</b>	<b>(86.54)</b>	<b>(158.64)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	270.00
Interest & Finance Charges	(36.24)	(36.91)	(0.61)	(20.76)
Increase / (Repayment) of Long Term Borrowings	(367.06)	1,185.33	7.29	(93.07)
Increase / (Repayment) of Short Term Borrowings	-	-	-	(0.04)
Decrease (Increase) in Long Term Loans & Advances	-	-	-	(151.84)
Dividend and Dividend Distribution Tax	-	-	-	-

Particulars	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(403.29)</b>	<b>1,148.43</b>	<b>6.68</b>	<b>4.29</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	7.11	(2.19)	(2.95)	(74.20)
Cash and cash equivalents at the beginning of the year / Period	2.55	4.74	7.69	81.89
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>9.66</b>	<b>2.55</b>	<b>4.74</b>	<b>7.69</b>

Notes:

1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

2)The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

## **Annexure IV - Basis of Preparation and Significant Accounting Policies**

### **Notes on Financial Statements for the 6 months period ended 30th September, 2018**

#### **Summary of significant Accounting Policies and Practices**

##### **1. Basis of Preparation**

The Restated Statement of Assets and Liabilities of the Artemis Electricals Limited as at 30th September, 2018 and 31st March 2018, 2017, 2016, 2015 and 2014 and the Restated Statement of Profit and Loss and the Restated Statement of Cash flows, for the years ended 31st March 2018, 2017, 2016, 2015 and 2014 (together referred as Financial and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the respective years ("Audited Financial Statements").

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the Audited Standalone Financial Statements for the six months period ended September 30, 2018 and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Restated Financial Information and Other Financial Information have been prepared by the management in connection with the proposed Initial Public Offering of equity shares of the Company, in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI Regulations").

These Restated Financial Information and Other Financial Information have been extracted by the Management from the Audited Financial Statements and :

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other prescribed criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services rendered and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

These Restated Financial Information and Other Financial Information were approved by the Board of Directors of the Company on December 31, 2018.

##### **2. Use of Estimates**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the

reporting period. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

### **3. Tangible Assets**

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

### **4. Intangible Assets**

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

### **5. Depreciation And Amortisation**

#### **Tangible Assets**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

From the financial year 2014-15, w.e.f. 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II to Companies Act, 2013 , as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to Companies Act, 1956.

### **6. Impairment**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **7. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

### **8. Employee Benefits**

#### **i. Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Profit and Loss Account.

#### **ii. Defined Contribution Plans:**

Contributions to defined contribution schemes such as provident fund are charged off to the Profit and Loss Account during the year in which the employee renders the related service.

#### **iii. Defined Benefit Plans:**

The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are



recognised immediately in the Profit and Loss Account. Termination benefits are recognised as and when incurred.

**iv. Other Long Term Benefits:**

Leave encashment is payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company's policy.

**9. Income Taxes**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**10. Inventories**

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Cost of raw materials, stores and spares, packing materials and other products are determined on weighted average basis.

**11. Revenue Recognition**

Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised net of sales tax and value added tax.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognised when the right to receive payment is established.

**12. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non-Current investments are stated at cost. Provision for diminution in the value of Non- Current investments is made only if such a decline is other than temporary.

**13. Foreign Currency Transactions**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognised as income or expense in the period in which they arise.

**14. Earning Per Share**

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. The weighted average number of equity shares and potential equity shares outstanding during the period and for all the period presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

## 15. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

## 16. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

### Annexure V - Notes to the Restated Standalone Financial Information

(Rs. in lakhs)

Note 1 - Share Capital	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Authorised Share Capital:</b>				
2,20,00,000 Equity Shares of Rs. 10 each	2,200.00	700.00	700.00	700.00
<b>Issued, Subscribed and Fully Paid up:</b>				
1,33,11,045 Equity Shares of Rs. 10 each	1,331.00	443.70	443.70	443.70
<b>Total</b>	<b>1,331.00</b>	<b>443.70</b>	<b>443.70</b>	<b>443.70</b>

(Rs. in lakhs)

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	44,37,015	44,37,015	44,37,015	23,89,100
Add: Shares issued during the year	-	-	-	3,00,000
Add: Bonus shares issued during the year	88,74,030	-	-	17,47,915
<b>Equity Shares at the end of the year</b>	<b>1,33,11,045</b>	<b>44,37,015</b>	<b>44,37,015</b>	<b>44,37,015</b>

#### Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(Rs. in lakhs)

b) Details of shareholders holding more than 5% of share capital in the Company as at the balance sheet date :	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
	No. of Shares % held	No. of Shares % held	No. of Shares % held	No. of Shares % held
M/s. Yashvikram Infrastructure Private Limited	43,06,500	14,35,500	14,35,500	14,35,500
	32.35%	32.35%	32.35%	32.35%
M/s. Garuda Aviation Services Private Limited	40,38,120	13,46,040	-	-
	30.34%	30.34%	0.00%	0.00%
M/s. Ayesspea Holdings & Investments Private Limited	17,22,687	5,74,229	21,86,490	21,86,490
	12.94%	12.94%	49.28%	49.28%
Mr. Pravin Kumar Agarwal	17,08,125	5,69,375	1,38,600	-
	12.83%	12.83%	3.12%	0.00%
M/s. Seashell Venture Private Limited	-	-	-	-
	0.00%	0.00%	0.00%	0.00%
Mr. Ram Niranjana Bhutra	6,65,553	2,21,851	-	-
	5.00%	5.00%	0.00%	0.00%

(Rs. in lakhs)

Note 2 - Reserve and Surplus	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Securities Premium				
As per last Balance Sheet	109.21	109.21	109.21	44.00
Add: On Issue of Shares	-	-	-	240.00
Less: Utilised for issue of Bonus Shares	-	-	-	-174.79
	109.21	109.21	109.21	109.21
Surplus in the Statement of Profit and Loss				
As per last Balance Sheet	1,244.46	291.56	114.52	-40.24
Add: Profit for the year	534.47	952.90	177.04	154.76
Less: Bonus Issued during the year	-887.40	-	-	-
	891.52	1,244.46	291.56	114.52
<b>Total</b>	<b>1,000.73</b>	<b>1,353.67</b>	<b>400.77</b>	<b>223.73</b>

(Rs. in lakhs)

Note 3 - Long Term Borrowings	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Secured				
Term Loan	610.50	647.50	-	-
HDFC Car Loan			7.29	-
	610.50	647.50	7.29	-
Unsecured				
From Related Parties (Refer note 28)	50.00	428.78	34.93	34.93
	50.00	428.78	34.93	34.93
<b>Total</b>	<b>660.50</b>	<b>1,076.28</b>	<b>42.22</b>	<b>34.93</b>

(Rs. in lakhs)

Note 4 - Deferred Tax Liability (Net)	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Deferred Tax Liability				
Related to fixed assets	19.39	15.56	2.26	0.59
Deferred Tax Asset				
Related to fixed assets	-	-	-	-
Disallowances under the income Tax Act, 1961	-	-	-	-
<b>Total</b>	<b>19.39</b>	<b>15.56</b>	<b>2.26</b>	<b>0.59</b>

(Rs. in lakhs)

Note 5 - Long Term Provisions	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Provision for Employee Benefits	11.91	10.83	7.86	5.04
-For Gratuity (Refer Note - 29)				
<b>Total</b>	<b>11.91</b>	<b>10.83</b>	<b>7.86</b>	<b>5.04</b>

(Rs. in lakhs)

Note 6 - Short Term Borrowings	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Secured				
Cash Credit Facility	200.00	151.28	-	-
<b>Total</b>	<b>200.00</b>	<b>151.28</b>	<b>-</b>	<b>-</b>

(Rs. in lakhs)

Note 7 - Trade Payables	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
(Unsecured and considered good)				
Micro, Small and Medium Enterprises	-	-	-	-
Others	2,078.66	2,002.51	797.20	114.61
<b>Total</b>	<b>2,078.66</b>	<b>2,002.51</b>	<b>797.20</b>	<b>114.61</b>

The Company is in the process of identifying creditors covered under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 hence details relating thereto, if any, have not been disclosed.

(Rs. in lakhs)

Note 8 - Other Current Liabilities	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Current maturities of long term loan	74.00	74.00	1.62	-
Advances from customers	273.34	30.45	0.23	456.43
Statutory dues	5.11	24.84	6.41	11.38
Creditors for capital goods	115.32	434.57	-	-
Other current liabilities	0.48	42.46	2.92	1.98
Book overdraft	79.65	460.25	101.16	29.63
<b>Total</b>	<b>547.90</b>	<b>1,066.58</b>	<b>112.34</b>	<b>499.42</b>

Rs. in lakhs)

Note 9 - Short Term Provisions	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Provision for Employee Benefits				
Salary Payable	20.78	18.75	9.17	8.40
Provision For Gratuity (Refer Note 29)	2.11	1.36	1.01	0.10
Provision for Audit Fees	2.48	2.48	1.73	-
Dividend Payable	-	-	-	-
Provision for income tax (Net of advances and MAT credit)	742.30	589.60	150.80	48.36
<b>Total</b>	<b>767.66</b>	<b>612.19</b>	<b>162.72</b>	<b>56.85</b>

(Rs. in lakhs)

Note 9 - Short Term Provisions	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Unsecured and considered good (unless otherwise stated)	-	-	-	-
Loans and advances to related parties (Refer Note 28)	-	-	27.00	13.70
Advance for purchase of shares	42.52	41.00	141.00	141.00
Balance with indirect tax authorities	8.17	8.17	4.78	4.23
Security deposits with related parties (Refer Note 28)	130.00	130.00	177.00	142.00
Security deposits with others	1.10	3.60	1.00	1.00
<b>Total</b>	<b>181.79</b>	<b>282.77</b>	<b>350.79</b>	<b>301.94</b>

(Rs. in lakhs)

Note 12 - Inventories	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Raw materials	1,334.35	1,345.55	362.21	117.16
Stock in progress	-	-	-	-
Finished goods	701.92	575.67	64.89	172.61
<b>Total</b>	<b>2,036.26</b>	<b>1,921.22</b>	<b>427.10</b>	<b>289.77</b>

(Rs. in lakhs)

Note 13 - Trade Receivables	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Unsecured and considered good (unless otherwise stated)				
Outstanding for a period exceeding six months	1,656.76	172.97	80.03	26.05
Others	340.24	2,328.93	923.67	603.83
<b>Total</b>	<b>1,997.00</b>	<b>2,501.90</b>	<b>1,003.70</b>	<b>629.89</b>

(Rs. in lakhs)

Note 14 - Cash & Cash Equivalents	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Cash on hand	6.81	1.70	1.63	7.29
Balances with banks:				
In current accounts	2.85	0.84	3.12	0.40
<b>Total</b>	<b>9.66</b>	<b>2.55</b>	<b>4.74</b>	<b>7.70</b>

(Rs. in lakhs)

Note 15 - Other Current Assets	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Balance with indirect tax authorities	54.85	165.66	7.89	20.93
Advances to suppliers (Refer Note 28)	733.09	214.91	41.09	9.22
Advance for capital goods	9.36	6.36	-	-
Advance for expenses	27.12	5.17	-	-
Prepaid expenses	0.26	0.26	0.32	0.37
MAT Credit Entitlement	-	-	-	-
Others	1.61	0.41	0.30	0.09
<b>Total</b>	<b>826.29</b>	<b>392.77</b>	<b>49.59</b>	<b>30.60</b>

Annexure V - Notes to the Restated Standalone Financial Information

Note 10 - Fixed assets as at September 30, 2018 Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2018	Additions	Deductions / Adjustments	As on 30-09-2018	Up to 01-04-2018	For the Year	Deductions / Adjustments	Total	As on 30-09-2019	As on 31-03-2018
<b>Tangible Assets:</b>										
Plant and Machinery	569.62	0.08	-	569.70	39.45	47.36	-	86.80	482.89	530.17
Factory Building	125.14	-	-	125.14	66.96	2.71	-	69.67	55.47	58.18
Die and Mould	99.62	-	-	99.62	38.69	5.39	-	44.09	55.53	60.92
Electrical Fittings	9.23	-	-	9.23	4.69	0.41	-	5.10	4.13	4.54
Furniture & Fixture	8.62	4.63	-	13.24	5.58	0.89	-	6.47	6.77	3.03
Computers and Printers	2.43	8.10	-	10.54	1.63	2.23	-	3.86	6.67	0.80
Motor Car	-	-	-	-	-	-	-	-	-	-
Office Building	986.42	5.15	-	991.57	12.68	23.50	-	36.19	955.39	973.74
<b>Total</b>	<b>1,801.07</b>	<b>17.96</b>	<b>-</b>	<b>1,819.04</b>	<b>169.69</b>	<b>82.49</b>	<b>-</b>	<b>252.18</b>	<b>1,566.85</b>	<b>1,631.38</b>

Note 10 - Fixed assets FY 2017-18

(Rs. in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2017	Additions	Deductions / Adjustments	As on 31-03-2018	Up to 01-04-2017	For the Year	Deductions / Adjustments	Total	As on 31-03-2018	As on 31-03-2017
Tangible Assets:										
Plant and Machinery	32.10	537.52	-	569.62	20.54	18.90	-	39.45	530.17	11.55
Factory Building	125.14	-	-	125.14	60.90	6.06	-	66.96	58.18	64.24
Die and Mould	69.70	29.91	-	99.62	28.57	10.13	-	38.69	60.92	41.14
Electrical Fittings	9.23	-	-	9.23	3.68	1.01	-	4.69	4.54	5.55

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2017	Additions	Deductions / Adjustments	As on 31-03-2018	Up to 01-04-2017	For the Year	Deductions / Adjustments	Total	As on 31-03-2018	As on 31-03-2017
Furniture & Fixture	7.84	0.78	-	8.62	4.67	0.92	-	5.58	3.03	3.17
Computers and Printers	1.61	0.82	-	2.43	1.39	0.24	-	1.63	0.80	0.23
Motor Car	9.80	-	9.80	-	2.54	1.88	4.42	-	-	7.26
Office Building	-	986.42	-	986.42	-	12.68	-	12.68	973.74	-
<b>Total</b>	<b>255.43</b>	<b>1,555.45</b>	<b>9.80</b>	<b>1,801.07</b>	<b>122.28</b>	<b>51.83</b>	<b>4.42</b>	<b>169.69</b>	<b>1,631.38</b>	<b>133.15</b>

**Note 10 - Fixed assets FY 2016-17**

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2016	Additions	Deductions / Adjustments	As on 31-03-2017	Up to 01-04-2016	For the Year	Deductions / Adjustments	Total	As on 31-03-2017	As on 31-03-2016
<b>Tangible Assets:</b>										
Plant and Machinery	29.43	2.67	-	32.10	17.90	2.65	-	20.54	11.55	11.53
Factory Building	125.14	-	-	125.14	54.21	6.70	-	60.90	64.24	70.94
Die and Mould	44.90	24.80	-	69.70	19.63	8.94	-	28.57	41.14	25.27
Electrical Fittings	9.23	-	-	9.23	2.44	1.24	-	3.68	5.55	6.79
Furniture & Fixture	7.84	-	-	7.84	3.52	1.15	-	4.67	3.17	4.32
Computers and Printers	1.19	0.42	-	1.61	1.05	0.34	-	1.39	0.23	0.14
Motor Car	-	9.80	-	9.80	-	2.54	-	2.54	7.26	-
<b>Total</b>	<b>217.74</b>	<b>37.69</b>	<b>-</b>	<b>255.43</b>	<b>98.74</b>	<b>23.54</b>	<b>-</b>	<b>122.28</b>	<b>133.15</b>	<b>118.99</b>



**Note 10 - Fixed assets FY 2015-16**

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04- 2015	Additions	Deductions / Adjustments	As on 31-03- 2016	Up to 01-04- 2015	For the Year	Deductions / Adjustments	Total	As on 31-03- 2016	As on 31-03- 2015
<b>Tangible Assets:</b>										
Plant and Machinery	26.73	2.70	-	29.43	15.53	2.37	-	17.90	11.53	11.20
Factory Building	116.67	8.47	-	125.14	47.20	7.01	-	54.21	70.94	69.47
Die and Mould	44.25	0.65	-	44.90	14.32	5.31	-	19.63	25.27	29.93
Electrical Fittings	6.24	2.99	-	9.23	1.58	0.86	-	2.44	6.79	4.66
Furniture & Fixture	5.02	2.82	-	7.84	2.36	1.16	-	3.52	4.32	2.66
Computers and Printers	1.19	-	-	1.19	0.86	0.19	-	1.05	0.14	0.33
<b>Total</b>	<b>200.10</b>	<b>17.64</b>	-	<b>217.74</b>	<b>81.86</b>	<b>16.89</b>	-	<b>98.74</b>	<b>118.99</b>	<b>118.24</b>

**Annexure V - Notes to the Restated Standalone Financial Information**

(Rs. in lakhs)

Note 16 - Revenue	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Sale of products				
Sale of lighting products and accessories	5,065.25	8,978.58	4,845.31	4,945.85
Less : Excise duty	-	30.95	121.44	414.64
<b>Total</b>	<b>5,065.25</b>	<b>8,947.63</b>	<b>4,723.87</b>	<b>4,531.21</b>

(Rs. in lakhs)

Note 17 - Other Income	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Other income	-	1.30	-	0.13
Net gain on foreign currency transactions and translation	-	2.38	-	2.54
<b>Total</b>	<b>-</b>	<b>3.68</b>	<b>-</b>	<b>2.66</b>

(Rs. in lakhs)

Note 18 - Cost of Materials Consumed	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Purchases	3,778.47	8,386.83	4,264.55	4,121.64
Purchases of food items	175.22	-	-	-
Add: Opening stock of raw materials	1,345.55	362.21	117.16	61.08
	5,299.25	8,749.04	4,381.70	4,182.72
Less: Closing stock of raw materials	1,334.35	1,345.55	362.21	117.16
<b>Total</b>	<b>3,964.90</b>	<b>7,403.49</b>	<b>4,019.49</b>	<b>4,065.56</b>

(Rs. in lakhs)

Note 19 - Changes in Inventory of Finished Goods	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Inventories (at close)</b>				
Finished Goods	701.92	575.67	64.89	172.61
Stock-in-Process	-	-	-	-
<b>Inventories (at commencement)</b>				
Finished Goods	575.67	64.89	172.61	21.55
Stock-in-Process	-	-	-	-
<b>Total</b>	<b>-126.24</b>	<b>-510.78</b>	<b>107.72</b>	<b>-151.06</b>

(Rs. in lakhs)

Note 20 - Employee Benefit Expenses	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Salaries, wages and bonus (Refer Note 28)	69.07	126.05	104.26	82.58
Directors' Remuneration (Refer Note 28)	2.00	9.63	-	-
Contribution to provident and other funds	1.71	4.25	4.47	4.73
Staff welfare expenses	3.05	6.56	6.06	8.95

Note 20 - Employee Benefit Expenses	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Total</b>	75.83	146.48	114.80	96.26

(Rs. in lakhs)

Note 21 - Finance Costs	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Interest on others	35.25	26.04	0.38	20.34
Processing fee and charges	0.98	10.87	0.23	0.43
<b>Total</b>	36.24	36.91	0.61	20.76

(Rs. in lakhs)

Note 22 - Depreciation and Amortisation Expenses	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Depreciation on tangible fixed assets [Read with note 10]	82.49	51.83	23.54	16.89
<b>Total</b>	82.49	51.83	23.54	16.89

(Rs. in lakhs)

Note 23 - Other Expenses	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Manufacturing expenses</b>				
Labour charges	111.54	238.10	77.90	117.99
Electric, power, fuel and water charges	23.12	38.66	15.18	14.92
Cost of Stores and Consumables Consumed	4.95	8.40	5.78	13.19
Testing expenses	1.66	3.83	1.56	5.21
Repairs to machinery	1.84	6.31	3.97	3.34
	143.11	295.30	104.39	154.65
<b>Selling and distribution expenses</b>				
Freight and forwarding expenses	4.38	9.33	3.84	0.89
Factory expenses	-	0.49	0.57	1.12
	4.38	9.82	4.41	2.02
<b>Establishment expenses</b>				
Professional fees	3.21	4.36	27.70	73.63
General expenses	9.90	16.91	26.15	18.60
Net gain on foreign currency transaction and translation	-	-	0.66	-
Transportation charges	0.10	0.04	0.36	13.76
IPO related Expenses	17.48	-	-	-
ROC Charges	14.37	-	-	-
Rent, rates and taxes	39.18	75.28	1.95	6.02
Travelling and conveyance expenses	1.27	1.77	3.52	5.86
Corporate Social responsibility expenses	-	2.47	-	-
Payment to auditors	0.75	2.75	2.52	2.35
	86.26	103.58	62.87	120.21
<b>Total</b>	233.75	408.70	171.67	276.88

(Rs. in lakhs)

Payment to auditors as:	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Statutory audit fees	0.75	1.50	1.00	1.00
Tax audit fees	-	0.65	0.65	0.65
MVAT matters	-	0.20	0.45	0.40
Certification and Consultation Fees	-	0.40	0.42	0.30
	0.75	2.75	2.52	2.35

(Rs. in lakhs)

Note 24 - Earning Per Share (EPS)	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Net profit after tax as per statement of profit and loss attributable equity share holders (₹)	534.47	952.90	177.04	154.76
Weighted average number of equity shares used as denominator for calculating EPS	13,311,045	13,311,045	13,311,045	8,402,249
Basic and diluted earnings per share (₹)	4.02	7.16	1.33	1.84
Face value per equity share (₹)	10.00	10.00	10.00	10.00

(Rs. in lakhs)

Note 25 - Value of imports on CIF basis in respect of	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Raw materials	-	130.65	98.70	3,272.11
<b>Total</b>	-	130.65	98.70	3,272.11

(Rs. in lakhs)

Note 26 - Contingent liabilities and commitments	For the period ended			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Contingent liabilities (to the extent not provided for)	Nil	Nil	Nil	Nil

#### Annexure V - Notes to the Restated Standalone Financial Information

#### NOTE - 27 Disclosure in terms of Accounting Standard 15 - Employee Benefits:

##### a. Defined Benefit Plans (Unfunded) - Gratuity :

##### i) Reconciliation of opening and closing balances of Defined Benefit obligation:

	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Defined Benefit obligation at beginning of the year	12.19	8.88	5.14	3.32
Current Service Cost	1.39	3.00	1.75	1.42
Interest Cost	0.48	0.66	0.41	0.26
Actuarial (gain) / loss	-0.03	-0.35	1.58	0.13
Benefits paid	-	-	-	-
Defined Benefit obligation at year end	14.02	12.19	8.88	5.14

ii) Expense recognized under employment costs during the year:

	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Current Service Cost	1.39	3.00	1.75	1.42
Interest Cost	0.48	0.66	0.41	0.26
Actuarial (gain) / loss	-0.03	-0.35	1.58	0.13
Net Cost	1.83	3.31	3.74	1.82

iii) Actuarial assumptions:

	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
	Indian Assured Lives	Indian Assured Lives	Indian Assured Lives	Indian Assured Lives
Mortality Table	Mortality (2006-08)	Mortality (2006-08)	Mortality (2006-08)	Mortality (2006-08)
Discount rate (per annum)	8.18%	7.87%	7.49%	7.96%
Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	8.00%

iv) Amount Recognised In The Balance Sheet

	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Present Value of Benefit Obligation as the opening of the period	12.19	8.88	5.14	3.32
Expense Recognized in Statement of Profit or Loss	1.83	3.31	3.74	1.82
Present Value of Benefit Obligation As the end of the period	14.02	12.19	8.88	5.14
Current Liability	2.11	1.36	1.01	0.10
Non – Current Liability	11.91	10.83	7.86	5.04

v) Amount recognized in the Profit and Loss Account under the defined contribution plan

	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Amount recognized in the Profit and Loss Account under the defined contribution plan	1.83	3.31	3.74	1.82

**Annexure V - Notes to the Restated Standalone Financial Information**

**Note 28 - Related Party Disclosures**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Shri Pravin K. Agarwal	Key Managerial Personnel
2	Shri Sudhir K. Agarwal	

3	Shri Chandrahas N. Shetty	
4	Shri Alok Kumar Agarwal	Relatives of Key Managerial Personnel
5	Smt. Jyotsna Agarwal	
6	P.K.Hospitality Services Private Limited	
7	P. K. Global Trends Private Limited	Enterprises over which Key Managerial Personnel are able to exercise influential control
8	Garuda Aviation Services Private Limited	
9	GLS Electrovision Private Limited	
10	Electroplast (India) Private Limited	
11	Electro Force (India) Private Limited	
12	AYESSPEA Holdings and Investments Private Limited	
13	Yash Vikram Infrastructure Private Limited	
14	Golden Chariot Hospitality Services Private Limited	
15	Dforce Electro Werke Private Limited	
16	Gallic Electro Technologies Private Limited	
17	Garuda Construction and Engineering Private Limited	
18	Makindian Foods Private Limited	
19	Poonam Anjali Ventures Private Limited	
20	Golden Chariot Retreat and Infra Private Limited	
21	Artemis Opto Electronic Technologies Private Limited	

i) Transactions during the year with related parties:

(Rs. in lakhs)

Sr. No.	Nature of Transactions	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>1.</b>	<b>Sale of Goods (Net of Returns)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	0.48	-	-	-
	Enterprise over which KMP are able to exercise influential control	3,572.09	13.88	10.83	95.89
	<b>Total</b>	<b>3,572.57</b>	<b>13.88</b>	<b>10.83</b>	<b>95.89</b>
<b>2.</b>	<b>Purchase of Goods (Net of Returns)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	3,484.58	36.22	18.86	33.31
	<b>Total</b>	<b>3,484.58</b>	<b>36.22</b>	<b>18.86</b>	<b>33.31</b>
<b>3.</b>	<b>Net Loans and Advances taken / (repaid)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-

Sr. No.	Nature of Transactions	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
	Enterprise over which KMP are able to exercise influential control	-378.78	393.85	-	-128.00
	<b>Total</b>	<b>-378.78</b>	<b>393.85</b>	-	<b>-128.00</b>
<b>4.</b>	<b>Other Sundry Expenses</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	62.33	124.03	11.62	-
	<b>Total</b>	<b>62.33</b>	<b>124.03</b>	<b>11.62</b>	-
<b>5.</b>	<b>Professional Fees (Including Taxes)</b>				
	Key Managerial Personnel	-	-	29.91	56.77
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-	-	-
	<b>Total</b>	-	-	<b>29.91</b>	<b>56.77</b>
<b>6.</b>	<b>Managerial Remuneration</b>				
	Key Managerial Personnel	16.10	37.23	16.90	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-	-	-
	<b>Total</b>	<b>16.10</b>	<b>37.23</b>	<b>16.90</b>	-
<b>7.</b>	<b>Net Loans and Advances given / (returned)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	5.06	-27.00	13.30	12.57
	<b>Total</b>	<b>5.06</b>	<b>-27.00</b>	<b>13.30</b>	<b>12.57</b>
<b>8.</b>	<b>Issue of Equity Shares (Including Premium)</b>				
	Key Managerial Personnel	-	-	-	31.50
	Relatives of KMP	-	-	-	58.50
	Enterprise over which KMP are able to exercise influential control	-	-	-	180.00
	<b>Total</b>	-	-	-	<b>270.00</b>
<b>9.</b>	<b>Issue of Bonus Shares</b>				
	Key Managerial Personnel	-	-	-	12.71
	Relatives of KMP	-	-	-	17.75
	Enterprise over which KMP are able to exercise influential control	-	-	-	140.60
	<b>Total</b>	-	-	-	<b>171.05</b>
<b>10.</b>	<b>Advance for expenses</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	27.08	-	-	-
	<b>Total</b>	<b>27.08</b>	-	-	-

Sr. No.	Nature of Transactions	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>11.</b>	<b>Advance to supplier (net of adjusted during the year)</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	31.96	-0.06	-
	<b>Total</b>	-	<b>31.96</b>	<b>-0.06</b>	-
<b>12.</b>	<b>Advance from customer</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	8.68	-	-	-
	<b>Total</b>	<b>8.68</b>	-	-	-
<b>13.</b>	<b>Security Deposit</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-47.00	35.00	142.00
	<b>Total</b>	-	<b>-47.00</b>	<b>35.00</b>	<b>142.00</b>

ii) Closing balance with related parties:

(Rs. in lakhs)

Sr. No.	Nature of Transactions	As at			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>14.</b>	<b>Trade Receivables</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	0.48	-	-	-
	Enterprise over which KMP are able to exercise influential control	171.89	51.33	62.97	95.99
	<b>Total</b>	<b>172.37</b>	<b>51.33</b>	<b>62.97</b>	<b>95.99</b>
<b>15.</b>	<b>Advance to suppliers</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	0.21	32.16	0.21	0.21
	<b>Total</b>	<b>0.21</b>	<b>32.16</b>	<b>0.21</b>	<b>0.21</b>
<b>16.</b>	<b>Trade and other payables</b>				
	Key Managerial Personnel	-	-	-	2.46
	Relatives of KMP	2.14	-	3.38	3.38
	Enterprise over which KMP are able to exercise influential control	94.74	57.03	4.72	6.38
	<b>Total</b>	<b>96.88</b>	<b>57.03</b>	<b>8.09</b>	<b>12.21</b>



Sr. No.	Nature of Transactions	As at			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>17.</b>	<b>Long-term borrowings</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	50.00	428.78	34.93	34.93
	<b>Total</b>	<b>50.00</b>	<b>428.78</b>	<b>34.93</b>	<b>34.93</b>
<b>18.</b>	<b>Advance for expenses</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	27.08	-	-	-
	<b>Total</b>	<b>27.08</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.</b>	<b>Long-term loans and advances</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	42.52	141.00	168.00	154.70
	<b>Total</b>	<b>42.52</b>	<b>141.00</b>	<b>168.00</b>	<b>154.70</b>
<b>20.</b>	<b>Advance from customers</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	9.25	-	-	-
	<b>Total</b>	<b>9.25</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>21.</b>	<b>Security Deposit</b>				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	130.00	130.00	177.00	142.00
	<b>Total</b>	<b>130.00</b>	<b>130.00</b>	<b>177.00</b>	<b>142.00</b>

Note 29 - Debit and Credit balances are subject to confirmation and reconciliation if any.

Note 30 - Previous year figures have been regrouped / reclassified, wherever necessary, to correspond with current year classification.

#### Annexure VI - Restated Statement of Reserve and Surplus of Artemis Electricals Limited

(Rs. in lakhs)

Note 2 - Reserve and Surplus	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Securities Premium</b>				
As per last Balance Sheet	109.21	109.21	109.21	44.00
Add: On Issue of Shares	-	-	-	240.00
Less: Utilised for issue of Bonus Shares	-	-	-	(174.79)
	109.21	109.21	109.21	109.21
<b>Surplus in the Statement of Profit and Loss</b>				

Note 2 - Reserve and Surplus	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
As per last Balance Sheet	1,244.46	300.44	119.66	-36.91
Add: Profit for the year	534.47	956.21	180.78	156.57
Less: Proposed dividend	-	-	-	-
	1,778.92	1,256.65	300.43	119.66
<b>Total</b>	<b>1,888.13</b>	<b>1,365.85</b>	<b>409.64</b>	<b>228.87</b>

**Annexure VII - Restated Statement of Secured Borrowings of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Long term borrowings</b>				
Term Loan	610.50	647.50	-	-
HDFC Car Loan	-	-	7.29	-
	610.50	647.50	7.29	-
<b>Short term borrowings</b>				
Cash Credit Facility	200.00	151.28	-	-
	200.00	151.28	-	-
<b>Total</b>	<b>810.50</b>	<b>798.78</b>	<b>7.29</b>	<b>-</b>

**Annexure VII (A) - Restated Standalone Statement of Principal Terms of Secured Borrowings outstanding as at 30 September 2018 of Artemis Electricals Limited**

Sl. No.	Lender	Nature of Facility (Term Loan- INR, Working Capital Facility-Cash credit)	Loan currency	Amount Outstanding as at 30 September 2018 ( in Million)	Rate of Interest %	Repayment Terms	Other Principal Terms and Conditions
1	The Federal Bank	Term Loan	INR	684.50	8.80%	The loans are repayable in 120 equal monthly instalments commencing from January, 2018.	Note - 1
2	The Federal Bank	Cash Credit	INR	200.00	9.25%	Payable on Demand	Note - 2
			<b>Total</b>	<b>884.50</b>			

**Note – 1**

On 19th December, 2017, the Company was sanctioned term loans of Rs. 7.40 Crores by The Federal Bank Limited. This loan is secured by equitable mortgage of office premises No. 201, bearing Plot No. C-3, C.T.A. No. 4207 on Second Floor in A Wing of Building Fortune 2000, G Block, situated at Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 admeasuring super built up area 3305 Sq. Ft. along

with one basement parking and three open parking purchased in the name of M/s. Artemis Electricals Limited. The loans are repayable in 120 equal monthly instalments commencing from January, 2018 along with interest of 8.80% per annum.

**Note – 2**

This cash credit facility is secured by following collateral security:

1. Office premise No. 201, bearing Plot No. C-3, C.T.A. No. 4207 on Second Floor in A Wing of Building Fortune 2000, G Block, situated at Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 admeasuring super built up area 3305 Sq. Ft. along with one basement parking and three open parking in the name of M/s. Artemis Electricals Limited.
2. Row House No. D, Garuda House, Malad (E), Near Cheerpanjal Mehta Road, Upper Govind Nagar, Mumbai - 400 097 in the name of Mrs. Jyotsna Agarwal.
3. Hypothecation of stock and movable properties including book debts of the Company.

**Annexure VIII - Restated Statement of Unsecured Borrowings of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
From Related Parties (Refer note 28)	50.00	428.78	34.93	34.93
<b>Total</b>	<b>50.00</b>	<b>428.78</b>	<b>34.93</b>	<b>34.93</b>

**Annexure - IX - Restated Statement of Current Liabilities & Provisions of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Other Current Liabilities</b>				
Current maturities of long term loan	74.00	74.00	1.62	-
Advances from customers	273.34	30.45	0.23	456.43
Statutory dues	5.11	24.84	6.41	11.38
Creditors for capital goods	115.32	434.57	-	-
Other current liabilities	0.48	42.46	2.92	1.98
Book overdraft	79.65	460.25	101.16	29.63
	547.90	1,066.58	112.34	499.42
<b>Short Term Provisions</b>				
Provisions for employee benefits	-	-	-	-
Provision for Audit Fees	2.48	2.48	1.73	-
Provision for income tax (Net of advances and MAT credit)	742.30	589.60	150.80	48.36
	744.77	592.08	152.54	48.36
<b>Total</b>	<b>1,292.67</b>	<b>1,658.65</b>	<b>264.87</b>	<b>547.78</b>

**Annexure - X - Restated Statement of Investments of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
(Long term investments)				
(Valued at cost less other than temporary diminution in value, if any)				
Advance for Shares of Artemis Opto Electronic Technologies Private Limited (Refer Note 28)	42.52	141.00	141.00	141.00
<b>Total</b>	<b>42.52</b>	<b>141.00</b>	<b>141.00</b>	<b>141.00</b>

**Annexure - XI - Restated Statement of Trade Receivables of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Unsecured and considered good (unless otherwise stated)				
Outstanding for a period exceeding six months	1,656.76	172.97	80.03	26.05
Others	340.24	2,328.93	923.67	603.83
<b>Total</b>	<b>1,997.00</b>	<b>2,501.90</b>	<b>1,003.70</b>	<b>629.89</b>

**Annexure - XII - Restated Statement of Long Term Loans and Advances of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>Long term loans and advances</b>				
Unsecured and considered good (unless otherwise stated)				
Loans and advances to related parties (Refer Note 28)	-	-	27.00	13.70
Balance with indirect tax authorities	8.17	8.17	4.78	4.23
Security deposits with related parties (Refer Note 28)	130.00	130.00	177.00	142.00
Security deposits with others	1.10	3.60	1.00	1.00
<b>Total</b>	<b>139.27</b>	<b>141.77</b>	<b>209.79</b>	<b>160.94</b>

**Annexure - XIII - Restated Statement of Other Current Assets of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Balance with indirect tax authorities	54.85	165.66	7.89	20.93
Advances to suppliers (Refer Note 28)	733.09	214.91	41.09	9.22
Advance for capital goods	9.36	6.36	-	-
Advance for expenses	27.12	5.17	-	-
Prepaid expenses	0.26	0.26	0.32	0.37
Mat Credit entitlement	-	-	-	-
Others	1.61	0.41	0.30	0.09
<b>Total</b>	<b>826.29</b>	<b>392.77</b>	<b>49.59</b>	<b>30.60</b>

**Annexure XIV - Restated Statement of Other Income of Artemis Electricals Limited**

(Rs. in lakhs)

Particulars	Nature (Recurring / Non-recurring)	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Other income	Non-Recurring	-	1.30	-	0.13
Net gain on foreign currency transactions and translation	Non-Recurring	-	2.38	-	2.54
<b>Total</b>		-	3.68	-	2.66

Note :

1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
2. All items of Other Income are from normal business activities.

**Annexure XV - Restated Standalone Statement of Accounting Ratios of Artemis Electricals Limited**

(Rs. in lakhs)

Sr. No.	Particulars	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
1.	Restated Profit / (Loss) after Tax (in lakhs)	534.47	952.90	177.04	154.76
2.	Net Profit / (Loss) available to Equity Shareholders (in Lakhs)	534.47	952.90	177.04	154.76
3.	Weighted average number of Equity Shares outstanding during the year for Basic and Diluted EPS (Pre Bonus)	26,89,100	26,89,100	26,89,100	26,89,100
4.	Weighted average number of Equity Shares outstanding during the year for Basic and Diluted EPS (Post Bonus)	1,33,11,045	1,33,11,045	1,33,11,045	1,33,11,045
5.	Number of Equity Shares outstanding at the end of the year (Pre Bonus)	26,89,100	26,89,100	26,89,100	26,89,100

Sr. No.	Particulars	For the period ended			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
6.	Number of Equity Shares outstanding at the end of the year (Post Bonus)	13,311,045	44,37,015	44,37,015	44,37,015
7.	Net Worth for Equity Shareholders (in lakhs)	2,331.83	1,797.37	844.47	667.43
8.	Accounting Ratios:				
	Basic and Diluted Earnings / (Loss) per Share (Rs.) (2)/(4) (Refer Annexure V, Note 25)	4.02	7.16	1.33	1.84
	Pre-bonus EPS	19.88	35.44	6.58	6.31
	Post-bonus EPS	4.02	7.16	1.33	1.84
9.	Return on Net Worth for Equity Shareholders(2)/(6)	22.92%	53.02%	20.96%	23.19%
	Net Asset Value Per Share (Rs.) (7)/(5) (Pre Bonus)	86.71	66.84	31.40	24.82
	Net Asset Value Per Share (Rs.) (7)/(6) (Post Bonus)	17.52	40.51	19.03	15.04

Note:

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. Net worth for ratios mentioned in Sr. No. 6 is = Equity share capital + Reserves and surplus (including Securities Premium, Share Option Outstanding Account, Debenture Redemption Reserve and Surplus/ (Deficit)).

3. The above ratios have been computed on the basis of the Restated Standalone Financial Information- Annexure I & Annexure II.

#### Annexure XVI - Restated Standalone Statement of Capitalisation of Artemis Electricals Limited

(Rs. in lakhs)

Particulars	Pre-Issue as at 30 September 2018	Post-Issue
<b>Debt:</b>		
Long term borrowings	660.50	[●]
Short term borrowings	200.00	[●]
Current portion of Secured long term borrowings, included in Other Current Liabilities	74.00	[●]
<b>Total debt (A)</b>	<b>934.50</b>	<b>[●]</b>
<b>Shareholders Funds:</b>		
Equity Share Capital	1,331.10	[●]
Reserves and Surplus	1,000.73	[●]
<b>Total Shareholders Funds (B)</b>	<b>2,331.83</b>	<b>[●]</b>
<b>Total Debt/Equity Ratio (A/B)</b>	<b>0.40</b>	

Particulars	Pre-Issue as at 30 September 2018	Post-Issue
<b>Total Long Term Debt / Equity Ratio (Long term borrowings/Equity Share Capital &amp; Reserves and Surplus)</b>	<b>0.28</b>	

Notes:

- i) The above has been computed on the basis of the Restated Financial Information - Annexure I & Annexure II.
- ii) Short term borrowings represent working capital loans, Commercial paper and Short term loans.
- iii) The issue price and number of shares are being finalised and as such the post- capitalisation statement cannot be presented.

#### Annexure XVII - Restated Statement of Tax Shelter of Artemis Electricals Limited

(Rs. in lakhs)

Particulars	As at			
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
<b>A</b> Profit/ (Loss) before taxation and adjustments	798.29	1,414.68	286.04	208.57
<b>B</b> Tax at applicable Rates	33%	33%	33%	32%
<b>C</b> Tax thereon at the above rate	263.94	467.74	94.57	67.67
<b>Adjustments:</b>				
<b>D Permanent Differences</b>				
Net Disallowances/ (Allowances) under the Income Tax Act	-	-	-	-
Deduction u/s 80 G of the Income Tax Act	-	-	-	-
Profit / Loss on Sale of Assets	-	-	-	-
Others	-	-	-	-
<b>Total Permanent Differences</b>	-	-	-	-
<b>E Timing Differences</b>				
Difference in depreciation as per Income Tax Act and Financial Statements	-13.74	-61.56	5.39	0.92
Provision for Gratuity	1.83	3.31	3.74	1.82
Loss / unabsorbed depreciation set off	-	-	-	-17.68
Deduction u/s 43B of the Income tax act	-	-	-	-
Others	-	-	-	-
<b>Total Timing Differences</b>	<b>-11.91</b>	<b>-58.24</b>	<b>9.13</b>	<b>-14.94</b>
<b>F Net Adjustments (D+E)</b>	<b>-11.91</b>	<b>-58.24</b>	<b>9.13</b>	<b>-14.94</b>
<b>G Tax Expense/ (savings) thereon (FxB)</b>	<b>-3.94</b>	<b>-19.26</b>	<b>3.02</b>	<b>-4.85</b>
<b>H Tax Liability (C+G)</b>	<b>260.00</b>	<b>448.48</b>	<b>97.59</b>	<b>62.82</b>
<b>I Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes</b>				
Tax Rate as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act	19.06%	19.06%	19.06%	19.06%

Particulars		As at			
		September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
	Tax Liability as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes	152.11	269.57	54.50	39.74
<b>J</b>	<b>Net Tax Liability (Higher of H and I)</b>	<b>260.00</b>	<b>448.48</b>	<b>97.59</b>	<b>62.82</b>
<b>K</b>	<b>Total Current Tax</b>	<b>260.00</b>	<b>448.48</b>	<b>97.59</b>	<b>62.82</b>
<b>L</b>	Impact of Material Adjustments for Restatement in corresponding years	-	-	-	-
<b>M</b>	Current Tax Liability on Material Adjustments for Restatement in corresponding years	-	-	-	-
<b>N</b>	Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	786.38	1,356.44	295.17	193.62
<b>O</b>	<b>Total Tax Liability after Tax impact of adjustments</b>	<b>260.00</b>	<b>448.48</b>	<b>97.59</b>	<b>62.82</b>



### **OTHER FINANCIAL INFORMATION**

For details on other financial information please refer to Annexure XV - Statement of Accounting Ratios” on page 212 of this Draft Red Herring Prospectus.

## **CAPITALISATION STATEMENT**

For details on other financial information please refer to Annexure XVI – Capitalisation Statement” on page 213 of this Draft Red Herring Prospectus.

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATION**

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended September 2018 and for the financial year ended March 31, 2018, 2017 and 2016. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 25 of this Draft Red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Artemis Electricals Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "*Financial Statements*" for Financial Years 2018, 2017 and 2016 included in this Draft Red Herring Prospectus beginning on page 182 of this Draft Red Herring Prospectus.

### **Business Overview**

Our Company since incorporation is into the business of manufacturing and trading of Light Emitting Diode "LED" Lights and LED lighting accessories. We are dependent on third party for manufacturing of LED bulbs. Our Company manufactures and trades indoor and outdoor LED luminaries such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights, Down lights, Garden lights, pavement / walk through indication lights, etc. The application of our products is in spaces like general lighting, architectural, residential, office, industrial, shop, hospitality, and outdoor. Our Product basket consist of solutions across the LED luminary spectrum i.e. LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our LED drivers are manufactured in a facility located in Vasai, mainly using SMD components on an automatic pick-n-place machine. Our Company is an ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certified Company Our Company is member of LACMA (LUMINAIRES ACCESSORIES COMPONENTS MANUFACTURERS ASSOCIATION) vide membership no. 2238.

### **Significant developments subsequent to the last financial year:**

After the date of last financial year i.e. March 31, 2018, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However, following material events have occurred after the last audited period.

1. The shareholders of our Company have approved the proposal for increase in authorised capital from Rs. 7,00,00,000 divided into 70,00,000 Equity shares to Rs. 22,00,00,000 divided into 2,20,00,000 Equity Shares in the Extra-Ordinary Meeting held on May 05, 2018.
2. The Memorandum of Association of our Company was altered by a Special Resolution passed in the Extra Ordinary Meeting held on May 05, 2018, subsequent to the increase in the Authorised Capital.
3. The Board of Director appointed Richa Sharma as an Independent Director of the Company in the board meeting held on May 05, 2018.

4. The Shareholders of our Company has approved the proposal to issue bonus shares in the ratio of 2 Shares for every 1 share held in the extra-ordinary meeting held on June 25, 2018
5. The Board of Directors of our Company have approved the Initial Public Offer in their meeting held on December 31, 2018
6. The Shareholders of our Company approved the Initial Public Offering in their meeting held on February 07, 2019

#### **Factors Affecting Our Result of Operations**

- Changes in laws and regulation that apply to the industry
- Increasing competition in the industry
- Changes in fiscal, economic or political conditions in India
- Company's inability to successfully implement its growth strategy and expansion plans.
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business
- Investment Flow in the country from the other countries.
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate

#### **Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the Financial Results of our Company for the for the years ended March 31, 2018, 2017 and 2016

#### **OVERVIEW OF REVENUE AND EXPENDITURE**

##### ***Revenue of operations***

Our primary revenue is from manufacturing and trading of Light Emitting Diode

##### ***Other Income***

Our other income consists of gain on foreign currency transactions and translation.

Particulars	For the month ended September 30, 2018	For the period ended March 31,		
		2018	2017	2016
<b>Income</b>				
Revenue from operations	5,065.25	8,947.63	4,723.87	4,531.21
As a % of total Income	100.00%	99.96%	100.00%	99.94%
Other Income	-	3.68	-	2.66
As a % of Total Income	0.00%	0.04%	0.00%	0.06%
<b>Total Revenue</b>	<b>5,065.25</b>	<b>8,951.31</b>	<b>4,723.87</b>	<b>4,533.87</b>

##### ***EXPENDITURE***

Our total expenditure primarily consists of Employee benefit expenses and labour expenses, Selling and Distribution Expenses, Rent, travelling and conveyance expenses and other expenses.

##### **Employment Benefit Expenses**

It includes salaries and allowances, staff welfare expenses and other expenses.

##### **Other Expenses**

It includes expenses for manufacturing expenses, Establishment expenses, Selling and Distribution Expenses, Shop rent and Vehicle Expenses, etc.

## Finance Costs

Our finance costs mainly include Interest on Interest on others, Processing fee and charges.

## Depreciation

Depreciation includes depreciation and amortization on tangible fixed assets.

## RESULTS OF OUR OPERATION

(₹ In Lakhs)

Particulars	For the month ended September 30, 2018	For the year ended March 31,		
		2018	2017	2016
Revenue from operations	5,065.25	8,947.63	4,723.87	4,531.21
% of Total Revenue	100.00%	99.96%	100.00%	99.94%
Other Income	-	3.68	-	2.66
% of Total Revenue	0.00%	0.04%	0.00%	0.06%
<b>Total Revenue</b>	<b>5,065.25</b>	<b>8,951.31</b>	<b>4,723.87</b>	<b>4,533.87</b>
<b>Expenses</b>				
Cost of material consumed	3,964.90	7,403.49	4,019.49	4,065.56
% of Total Revenue	78.28%	82.71%	85.09%	89.67%
Variance		84.19%	-1.13%	
Change in Inventories	-126.24	- 510.78	107.72	- 151.06
% of Total Revenue	-2.49%	-5.71%	2.28%	-3.33%
Variance		574.16%	171.31%	
Employee Benefits expenses	75.83	146.48	114.80	96.26
% total Revenue	1.50%	1.64%	2.43%	2.12%
Variance		27.60%	19.25%	
Other expenses	233.75	408.70	171.67	276.88
% total Revenue	4.61%	4.57%	3.63%	6.11%
Variance		138.08%	-38.00%	
<b>Total Expenses</b>	<b>4,266.97</b>	<b>7,536.63</b>	<b>4,437.83</b>	<b>4,325.30</b>
% to total revenue	84.24%	84.20%	93.94%	95.40%
<b>Restated Profit before interest, tax, depreciation and amortisation (EBIDTA)</b>	<b>798.29</b>	<b>1,414.68</b>	<b>286.04</b>	<b>208.57</b>
Finance Costs	36.24	36.91	0.61	20.76
% total Revenue	0.72%	0.41%	0.01%	0.46%
Variance		5931.62%	-97.05%	
Depreciation and amortization expenses	82.49	51.83	23.54	16.89
% total Revenue	1.63%	0.58%	0.50%	0.37%
Variance		120.21%	39.35%	
<b>Restated profit (Loss) before tax</b>	<b>798.29</b>	<b>1,414.68</b>	<b>286.04</b>	<b>208.57</b>
% of total income	15.76%	15.80%	6.06%	4.60%
Variance		394.58%	37.14%	
Total tax expense	263.82	461.78	109.00	53.81
<b>Restated profit (Loss) after tax from continuing operations (A)</b>	<b>534.47</b>	<b>952.90</b>	<b>177.04</b>	<b>154.76</b>
% to total revenue	10.55%	10.65%	3.75%	3.41%

## **RESULT OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

### **Income from Operations**

Our revenue from operations for the period ended September 30, 2018 was ₹ 5,065.25 Lakhs which was about 100% of the total revenue and which includes revenue from sale of lighting products and accessories.

### **Expenditure:**

#### **Material Cost**

The material cost for the period ended September 30, 2018 is Rs. 3,964.90 Lakhs.

#### **Employee Benefits expenses:**

The employee benefits expenses for the period ended September 30, 2018 is ₹ 75.83 Lakhs which was about 1.50% of the total revenue and which includes salaries and wages, staff welfare expenses and other expenses.

#### **Other Expenses**

Other Expenses for the period ended September 30, 2018 is ₹ 233.75 Lakhs which was about 4.61% of the total revenue and which includes shop rent, Travelling and Conveyance Expenses, Selling and Distribution Expenses, Processing Charges, Miscellaneous Expenses and labour expenses etc.

### **EBIDTA**

Our EBITDA was ₹ 798.29 Lakhs for the period ended September 30, 2018 which was about 15.76% of the total revenue.

### **Financial Costs**

Financial costs for the period ended September 30, 2018 is ₹ 36.24 Lakhs which was about 0.72% of the total revenue and which consists of interest expenses and Bank charges.

### **Depreciation**

Depreciation for the period ended September 30, 2018 is ₹ 82.49 Lakhs which was about 1.63% of the total revenue and which consists of depreciation and amortization.

### **Profit after/(Loss) Tax**

PAT/(Loss) for the period ended September 30, 2018 is ₹ 534.47 Lakhs.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR MARCH 31, 2017:**

### **Income from Operations**

The company is in the business of sale of lighting products and accessories. The total income from operations for the FY 2017-18 was Rs. 8947.63 Lakhs as compared to Rs. 4,723.87 Lakhs during the FY 2016-17 showing increase of 89.41%. The increase is due to increase in scale of business

### **Expenditure:**

#### **Material Cost:**

The material cost for FY 2017-18 was Rs 7,403.49 Lakhs which was 82.71% of the total revenue. In FY 2016-17 the material cost was Rs. 4019.49 Lakhs which was 85.09 % of total Revenue. The material cost increased to 84.19% which is high in FY 2017-18 compared to FY 2016-17 is due to increase in sales.

### **Employee Benefits Expenses**

The Employee expenses for FY 2017-18 was Rs. 146.48 Lakhs against the expenses of Rs. 114.80 Lakhs in FY 2016-17 showing Increase of 27.60 %. The increase in the employee benefit expenses was due to increase in expenses towards staff welfare.

### **Other Expenses**

Other Expenses increased from Rs. 408.70 Lakhs for FY 2016-17 to Rs. 171.61 Lakhs for FY 2017-18 showing increase of 138.08%. The other expenses includes mainly labour charges, shop Rent and selling and distribution expenses. The main reason for increase in other expenses was due to increase in labour charges, electricity expenses, raw material expenses, etc.

### **Financial Costs**

Financial Costs increased from Rs. 0.61 Lakhs in FY 2016-17 to Rs. 36.91 Lakhs in FY 2017-18 showing increase of 5931.62%. The increase in financial charges was due to increase in the bank processing fee and charges.

### **Depreciation**

The Depreciation for FY 2017-18 was Rs. 51.83 Lakhs as compared to Rs. 23.54 Lakhs for FY 2016-17. The depreciation was increased to 120.21 %. The increase was due to addition of fixed assets amounting

### **Profit after Tax**

Profit After Tax increased from Rs.177.04 for the FY 2016-17 to Rs. 952.90 Lakhs in FY 2017-18. The PAT was 10.65% of total revenue.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR MARCH 31, 2016:**

### **Income from Operations**

The company is in business of sale of lighting products and accessories. The total income from operations for the FY 2016-17 was Rs. 4,723.87 Lakhs as compared to Rs. 4,531.21 Lakhs during the FY 2015-16 showing increase of 4.25 %. The increase is due to increase in scale of business.

### **Expenditure:**

#### **Material Cost:**

The material cost for FY 2016-17 was Rs.4019.49 Lakhs which was 85.09 % of the total revenue. In FY 2015-16 the material cost was Rs. 4065.56 Lakhs which was 89.67 % of total Revenue. The material cost decreased due to decrease in sales.

#### **Employee Benefits Expenses**

The Employee benefits expenses for FY 2016-17 was Rs. 114.80 Lakhs against the expenses of Rs. 96.26 Lakhs in FY 2015-16 showing increase of 19.25 %. The increase in the employee expenses was on account of increase of managerial remuneration.

#### **Other Expenses**

Other Expenses decreased from Rs. 276.88 Lakhs for FY 2015-16 to Rs. 171.67 Lakhs for FY 2016-17 showing decrease of 38%. The other expenses include mainly labour charges, shop Rent and selling and distribution expenses. The main reason for reduction of the Other expenses was due to reduction of labour charges, miscellaneous expenses, raw material expenses.

#### **Financial Costs**

Financial Costs decreased from Rs. 20.76 Lakhs for FY 2015-16 to Rs. 0.61 Lakhs for FY 2016-17 showing decrease of 97.05%. The Decrease in financial charges was due to reduction in scale of operations and utilization of bank working capital limits.

#### **Depreciation**

The depreciation for FY 2016-17 was Rs. 23.54 Lakhs as compared to Rs. 16.89 Lakhs for FY 2015-16. The depreciation was increased by 39.35 %.

#### **Profit after Tax**

PAT decreased from Rs. 154.76 for the FY 2015-16 to Rs. 177.04 Lakhs in FY 2016-17. The PAT was 3.75% of the total revenue.

#### **Related Party Transactions**

For further information please refer “Annexure XVI” under Chapter titled “Financial Statements” on page 182 of this Draft Red Herring Prospectus.

#### **Financial Market Risks**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

#### **Interest Rate Risk**

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Information required as per Item (II) (C) (i) of Part A of Schedule VI to the SEBI Regulations:**

##### **1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

##### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled ‘Risk Factors’ beginning on page 25 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

##### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 25 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

##### **4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**



Our Company's future costs and revenues will be determined by demand/supply in the business of manufacturing and trading of Light Emitting Diode "LED" Lights and LED lighting accessories.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of the business of manufacturing and trading of Light Emitting Diode "LED" Lights and LED lighting accessories. the relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page no 100 of this Draft Red Herring Prospectus.

**7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment.

**8. The extent to which business is seasonal.**

Our Company's business is not seasonal. However, the business of the company depends upon the Growth potential of the economy and growth of the country.

**9. Any significant dependence on a single or few suppliers or customers.**

We are not dependent significantly on single customers. or few suppliers.

**10. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Business Overview" beginning on pages 100 and 124, respectively of this Draft Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks from time to time for conducting its business operations.

### A) SECURED BORROWINGS

Details of the Loan taken from The Federal Bank Limited as per the Sanction Letter Dated December 19, 2017.

(Rs in Lakhs)

Nature of Facility	Term Loan	Letter of Credit	Cash Credit	Total
<b>Purpose</b>	Manufacturing of electric lamps and lighting equipment			
<b>Sanctioned Amount</b>	740.00	210.00	100.00	1050.00
<b>Rate of Interest</b>	8.80% p.a (6-month MCLR+ 0.00%)	Card Rate	9.25%p.a (1 Year MCLR + 0.35%)	
<b>Repayment</b>	Non EMI	Lumpsum	Lumpsum	
<b>Tenor/ Validity (in months)</b>	Repayable in 120 Months	12 Months	12 Months	
<b>Outstanding as on September 30, 2018</b>	610.50	200.00		<b>810.50</b>

### PRIMARY AND COLLATERAL SECURITIES

Sr. No	Facility	Charged as	Description
1	Cash Credit	Collateral Security	Equitable Mortgage of office Premise No 201, bearing Plot No. C-3, C.T.S. No. 4207, on second Floor in A wing Building Fortune 2000, G Block Situated at Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 admeasuring Super Built up Area 3305 Sq Ft along with One Basement Parking and Three Open Parking to be purchased in Name of M/s Artemis Electricals Limited.
	Letter of Credit		
	Term Loan	Primary Security	
2.	Cash Credit	Collateral Security	Additional Charge on Row House No. D, Garuda House Malad (E) bearing CTC No. 97 – A/36 & CTS No. 97 – A/36/1, Survey No. 47, Near Cheerpanjal Mehta Road, Upper Govind Nagar, Mumbai – 400097 admeasuring Built Up area 2095 Sq Ft in the name of Mrs. Jyotsna Agarwal already charged to outstanding Bank Guarantees of Rs.354.36 Lakhs issued on various dates in name of companies M/s Electroforce India Private Limited, M/s. P.K. Hospitality Private Limited, M/s. Yash Marketing & Trading Co. and M/s. Deepa Travels Private Limited
	Letter of Credit		
	Bank Guarantee outstanding of Rs.354.36 lakhs issued on various dates in name of M/s Electroforce India Pvt Ltd, P.K. Hospitality Pvt Ltd, Yash Marketing and Trading Co and M/s Deepa Travels Pvt Ltd		

### Other Primary Securities

CC Limited – Hypothecation of stock of Company with 25% margin and receivables with 50% margin LC Limit.

- Hypothecation of Goods purchased under LC
- Cash Margin @ 20% on LC to be issued

**Guarantors (For Term Loan, CC Limit and LC Limit)**

- Praveen Agarwal
- Jyotsna Agarwal

**B) UNSECURED BORROWINGS**

Set forth below is the brief summary of our company’s unsecured borrowings as at September 30, 2018:

(Rs in Lakhs)

<b>Lender</b>	<b>Outstanding as on September 30,2018</b>
From Directors and other Related Parties	50.00

**Note:** Loans from Directors and Others are unsecured and terms of repayment in respect of these loans are not fixed.

For further details please refer to “*Note 3 – Long Term Borrowings*” of Annexure V of chapter titled – “*Financial Statement*” beginning on Page 182 of this Draft Red Herring Prospectus

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: A. (I) criminal proceedings; (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Promoters and Directors (the “**Relevant Parties**”).*

*For the purpose of (V) above, our Board in its meeting held on December 31, 2018, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.*

*(1). In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered ‘material’ if:*

- (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 10 % of the profit after tax of our Company as per the restated financial statements of our Company as on September 30, 2018, being Rs. 53.45 lakhs; or*
- (b) the monetary liability is not of any such pending quantifiable, however, the outcome proceedings may have a bearing on the business, operations, prospects or reputation of our Company.*

*B. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.*

*For this purpose, our Board pursuant to board resolution dated December 31, 2018, has considered outstanding dues to any creditor of the Company having monetary value which exceeds 10% of the profit after tax of the Company as per the latest restated consolidated financial statements of the Company disclosed in the Draft Red Herring Prospectus, as material.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company.*

*Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.Artemiselectricals.com](http://www.Artemiselectricals.com)*

*It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.*

#### **A. Litigation involving our Company**

##### **l) Litigation against our Company**

- a) Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against our Company.

b) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Company.

c) *Tax Claims*

Direct Tax

i. **Income Tax**

Particulars	No. of Cases	Aggregate amount involved (in Rs.) #
AY. 2016-17	1	49,11,320 <sup>1</sup>
<b>Total</b>	<b>1</b>	<b>49,11,320</b>

# The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served

upon the Company calling upon the Company to pay the above amounts.

(1) Demand raised under Section 143(1) of the Income -tax Act, 1961 dated June 19, 2017 against the Company for the A.Y. 2016-17.

ii. **TDS**

Number of Cases	Amount to the extent ascertainable (Rs.)
5	123,598.72

Indirect Tax

**NIL**

d) *Other Pending Material Litigations*

1. **Sou. Mathura Bhalchandra Vartak and Others. vs Artemis Electricals Limited, Laxman Bhaskar Vartak and Others – Civil Suit No. 131 of 2008**

Sou. Mathura Bhalchandra Vartak and Others ("**Plaintiff**") has filed a civil suit against Laxman Bhaskar Vartak and Others in the Court of the Hon'ble Civil Judge (Senior Division) at Vasai for the partition and separate possession of the suit properties wherein our Company "*Artemis Electricals Limited*", Defendant No. 125 is a necessary party to the suit for partition and one of our Group Companies, P.K Hospitality Limited is Defendant No. 124. The present petition is for partition of the inherited land and to declare the sale transaction of the said land null and non-binding.

Herein, the Plaintiff has prayed for the partition of the suit lands and for the allotment of 1/6th share of Mathura Bhalchandra Vartak's father by way of notional partition and to deliver their possession to the Plaintiffs by drawing a preliminary decree. The Plaintiffs has also prayed for the declaration of non-entitlement of Defendant No. 9 to 164 to obstruct the process of execution of decree of partition to the extent of share of Plaintiff and Defendant No. 7 and 7(a) to 7(c). The

matter is currently pending.

II) **Litigation by our Company**

a) *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings filed by our Company.

b) *Actions involving statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending matters by our Company against statutory or regulatory authorities.

c) *Tax Claims*

NIL

d) *Other Pending Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no pending material litigations filed by our Company.

B. **Litigation involving our Directors**

I) **Litigation against our Directors**

a) *Criminal Proceedings*

1. **FIR filed against Mr. Pravin Agarwal, Alok Agarwal and Sudhir Agarwal, his two brothers and his company, P.K. Hospitality Services Private Limited**

Mohammed Waseem Sayed, an employee of Novex Communication Private Limited. ("**Complainant**") has lodged a complaint on March 23, 2018 against Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, M/s. P.K. Hospitality Services Private Limited ("**Accused**"), under section 63 and 69 of Copy Right Act, 1957 read with section 420 and section 34 of Indian Penal Code. The Complainant has made a complaint that the Accused have played following songs "Zinghat" from the movie "Sairat" and "Kala Chashma" song from movie "Baar Baar Dekho" at Golden Tulip, Vasai on December 31, 2016 without obtaining the necessary rights from Novex Communication Private Limited, which is owned by Zee Company. The matter is currently pending.

2. **FIR filed against Pravin Kumar Agarwal - FIR No. 54/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an employee of Municipal Corporation of Greater Mumbai ("**BMC**"), has filed a FIR under section 53(7) of Maharashtra Regional Town Planning Act, 1966 against Pravin Agarwal, the Secretary of the Hub Mall premises at Goregaon East, Mumbai, at Vanrai Police Station on March 04, 2017. The disputes in this matter is pertaining to the use of two Air Handling Units ("**AHU**"), in the premises of Hub Mall located at Goregaon East, Mumbai, which according to the approved plans of BMC is required to be kept vacant/open and shall not be occupied or utilised for any office purpose. However, the AHU is converted into shop and the

same is being used for security rest room and for office purpose.

3. **FIR filed against Pravin Kumar Agarwal- FIR No. SPL LAC No. 06/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an officer of Municipal Corporation of Greater Mumbai has filed a FIR against Pravin Agarwal, owner of Golden Chariot Bar and Restaurant located at 2nd Floor of Hub Mall ("**GCBR**"), on January 04, 2017 under section 52 and 43 of the Maharashtra Regional Town Planning Act, 1966 with respect to the fire incident in the kitchen area of GCBR on December 28, 2016. The Complainant, during his inspection of the GCBR, had observed violations of various fire safety rules, like installation of plywood at fire exit, emergency fire exit door being locked from inside, etc.

b) *Actions by statutory and regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

c) *Tax Claims*

**Direct Tax**

<b>Particulars</b>	<b>No. of cases</b>	<b>Aggregate amount involved (in Rs.)#</b>
Income Tax A.Y 2001-02	1	861 <sup>1</sup>
Income Tax A.Y 2008-09	1	2301070 <sup>2</sup>
Income Tax A.Y 2009-10	1	979990 <sup>3</sup>
Income Tax A.Y 2010-11	1	409250 <sup>4</sup>
Income Tax A.Y 2011-12	1	73560 <sup>5</sup>
Income Tax A.Y 2012-13	1	7540 <sup>6</sup>
Income Tax A.Y 2015-16	1	38710 <sup>7</sup>
Income Tax A.Y 2012-13	1	113080 <sup>8</sup>
Income Tax A.Y 2018-19	1	46140 <sup>9</sup>
<b>Total</b>	<b>9</b>	<b>39,70,201</b>

#The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.

(1) Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2001-2002 in respect of Pravin Kumar Agarwal;

(2) Demand raised under Section 154 of Income Tax Act, 1961 for A.Y 2008-2009 in respect of Pravin Kumar Agarwal;

(3) Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2009-2010 in respect of Pravin Kumar Agarwal;

(4) Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2010-2011 in respect of Pravin Kumar Agarwal;

(5) Demand raised under Section 154 of Income Tax Act, 1961 for A.Y 2011-2012 in respect of Pravin Kumar Agarwal;

(6) Demand raised under Section 154 of Income Tax Act, 1961 for A.Y 2012-2013 in respect of Pravin Kumar Agarwal;

(7) Demand raised under Section 143(3) of Income Tax Act, 1961 for A.Y 2015-2016 in respect of Pravin Kumar Agarwal;

(8) Demand raised under Section 154 of Income Tax Act, 1961 for A.Y 2012-2013 in respect of Ram Niranjana Bhutra;

(9) Demand raised under Section 154 of Income Tax Act, 1961 for A.Y 2018-2019 in respect of Ram Niranjana Bhutra.

**Indirect Tax**

NIL

d) *Other Pending Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no pending material litigations against our Directors.

II) ***Litigation by our Directors***

a) *Criminal Proceedings*

1. **FIR filed by Praveen Kumar Agarwal - FIR No. 48/16**

Praveen Kumar Agarwal ("**Complainant**"), one of our Promoters and Directors, has lodged an FIR against Deshbandhu Gupta, Khushiram Gupta, Nilesh Gupta and Lodha (collectively known as "**Accused**") at Vanrai Police Station on July 26 against the contravention of the provisions of the Maharashtra Ownership Flat Act, 1963. The Complainant has alleged for the changed/ alteration of the layout plans of the suit premises i.e. Hub Mall from the Municipal Corporation without the consent of the Complainant. The Complainant has also alleged for not forming the society in respect of the suit premise and not transferring the conveyance of the suit premises in the favour of the society. The matter is currently pending.

b) *Actions by statutory and regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending matters by our Directors against statutory or regulatory authorities.

c) *Tax Claims*

NIL

d) *Other Pending Material Litigations*

1. **Pravin Kumar Agarwal & Others vs M/s. Pranik Landmark Associates & Others- S.C. Suit No. 40 of 2011**

Pravin Kumar Agarwal & Others ("**Plaintiffs**") have filed a suit against M/s. Pranik Landmark Associates & Others ("**Defendants**") in the Bombay City Civil Court at Dindoshi Court. Herein, the Plaintiffs are the purchaser within the meaning of Maharashtra Ownership Flat Act, 1963 ("**MOFA**") in respect of the units situated in the shopping mall known as "**Hub Mall**". Further, as per the sanctioned plans disclosed to the Plaintiffs at the time of the purchase of the above mentioned units, it was represented that there would be 110 parking slots available for the purchasers/ visitors of the units. However, the same was denied by Defendants, after the Plaintiffs had purchased their respective premises on the said representation. Therefore, in this suit, the



Plaintiff has prayed for the decree thereby directing the Defendants to discharge its obligation under section 10 of MOFA and to form a co-operative society in respect of the suit building, the Hub Mall. In addition to this, the Plaintiff has also prayed to hand over the day to day affairs of the Hub Mall including the parking space, land along with the building thereon in favour of the Society formed under MOFA. The amount is unascertainable at this stage and the matter is under mediation. The matter is currently pending.

**C. Litigation involving our Promoters**

**l) Litigation against our Promoters**

**a) Criminal Proceedings**

**1. FIR filed against Pravin Kumar Agarwal - FIR No. 54/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an employee of Municipal Corporation of Greater Mumbai ("**BMC**"), has filed a FIR under section 53(7) of Maharashtra Regional Town Planning Act, 1966 against Pravin Agarwal, the Secretary of the Hub Mall premises at Goregaon East, Mumbai, at Vanrai Police Station on March 04, 2017. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

**2. FIR filed against Pravin Kumar Agarwal- FIR No. SPL LAC No. 06/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an officer of Municipal Corporation of Greater Mumbai has filed a FIR against Pravin Agarwal, owner of Golden Chariot Bar and Restaurant located at 2nd Floor of Hub Mall ("**GCBR**"), on January 04, 2017 under section 52 and 43 of the Maharashtra Regional Town Planning Act, 1966 with respect to the fire incident in the kitchen area of GCBR on December 28, 2016. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

**3. FIR filed against Mr. Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, P.K. Hospitality Services Private Limited.**

Mohammed Waseem Sayed, an employee of Novex Communication Private Limited ("**Complainant**") has lodged a complaint on March 23, 2018 against Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, M/s. P.K. Hospitality Services Private Limited ("**Accused**"), under section 63 and 69 of Copy Right Act, 1957 read with section 420 and section 34 of Indian Penal Code. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

**b) Tax Claims**

*Income Tax*

Period (A.Y)	Number of cases	Amount to the extent ascertainable (Rs.) #
<b>Pravin Kumar Agarwal</b> : Please refer to tax matter involving our Directors in this chapter for information related to Mr. Pravin Kumar Agarwal.		
<b>Yashvikram Infrastructure Projects Private Limited</b>		
2011-12	1	13,95,440 <sup>1</sup>
2012-13	1	2,980 <sup>2</sup>

Period (A.Y)	Number of cases	Amount to the extent ascertainable (Rs.) #
2013-14	1	10,58,190 <sup>3</sup>
2014-15	1	30,77,040 <sup>4</sup>
<b>Total</b>		55,33,650

#The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.

(1) Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 20011-20012 in respect of Yashvikram Infrastructure Limited;

(2) Demand raised under Section 220(2) of Income Tax Act, 1961 for A.Y 2012-2013 in respect of Yashvikram Infrastructure Limited;

(3) Demand raised under Section 250 of Income Tax Act, 1961 for A.Y 2013-2014 in respect of Yashvikram Infrastructure Limited;

(4) Demand raised under Section 143(3) of Income Tax Act, 1961 for A.Y 2014-2015 in respect of Yashvikram Infrastructure Limited.

c) *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscal*

As on the date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

d) *Other Pending Material Litigations*

NIL

II) **Litigation by our Promoters**

a) *Criminal Proceedings*

1. **FIR filed by Praveen Kumar Agarwal - FIR No. 48/16**

Praveen Kumar Agarwal ("**Complainant**"), one of our Promoters, has lodged a FIR against Deshbandhu Gupta, Khushiram Gupta, Nilesh Gupta and Lodha (collectively known as "**Accused**") at Vanrai Police Station on July 26 against the contravention of the provisions of the Maharashtra Ownership Flat Act, 1963. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

b) *Tax Claims*

NIL

c) *Other Pending Material Litigations*

1. **Pravin Kumar Agarwal & Others vs M/s. Pranik Landmark Associates & Others- S.C. Suit No. 40 of 2011**

Pravin Kumar Agarwal & Others ("**Plaintiffs**") have filed a suit against M/s. Pranik Landmark Associates & Others ("**Defendants**") in the Bombay City Civil Court at Dindoshi Court. Herein, the Plaintiffs are the purchaser within the meaning of Maharashtra Ownership Flat Act, 1963

("MOFA") in respect of the units situated in the shopping mall known as "**Hub Mall**". . For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

#### D. Outstanding dues to Creditors

As of September 30, 2018, we had 200 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on September 30, 2018 was 2078.66 lakhs, on a consolidated basis.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed 53.45 lakhs, which is 10% of the profit after tax of our Company as per the latest Restated Financial Statements of our Company included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding 53.45 lakhs was owed as on September 30, 2019, were considered 'material' creditors. Based on the above, there are 4 material creditors of our Company as on September 30, 2018, to whom an aggregate amount of 1554.14 lakhs was outstanding on such date.

Details of outstanding dues owed as at September 30, 2019 to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (in Rs. million)
MSMEs	Nil	Nil
Other creditors	4	1554.14

The details pertaining to amounts due towards the material creditors are available on the website of our Company at [www.artemiselectricals.com](http://www.artemiselectricals.com)

#### E. Material Developments

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 218 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since FY 2017-18, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

#### F. Willful Defaulter

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Red Herring Prospectus.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see "Key Industry - Regulations" on page 144. Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

### **I. Approvals in relation to the Issue**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on December 31, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the annual general meeting held on February 07, 2019, authorized the Issue.
3. In-principle approval dated [●] from the SME Platform of BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.

### **II. Approvals for our Company**

#### ***Incorporation details***

1. Certificate of incorporation dated October 26, 2009 issued by the RoC, Mumbai, Maharashtra in the name of Artemis Electricals Private Limited.
2. Fresh certificate of incorporation consequent upon conversion from Private Company to Public Company dated August 27, 2015 issued by the RoC, Mumbai, Maharashtra consequent upon change of name of our Company from Artemis Electricals Private Limited to Artemis Electricals Limited.
3. The Corporate Identity Number (CIN) of the Company is U51505MH2009PLC196683.

#### ***Tax related approvals***

1. The permanent account number of our Company is AAICA0014B issued by Income Tax Department under the Income Tax Act, 1961.
2. The tax deduction account number of our Company is PNEA21845F issued by Income Tax

Department under the Income Tax Act, 1961.

3. The GST registration number of our Company is 27AAICA0014B1ZI issued by Government of India on September 22, 2017 under the Goods and Service Tax Act, 2017 for its principal place of business at Building No.1, Gala no. 105/108, Artemis Complex, Survey no.39, Hissa No.5, Vasai (East), Thane, Maharashtra 401208 and its additional place of business at 142, Garuda House, Upper Govind Nagar, Malad East, Mumbai, Maharashtra - 400097.
4. Certificate of registration bearing registration number 27630743058P issued by Deputy Professional Tax Officer, Mumbai for registration under the Maharashtra State Tax on Profession, Trade, Calling and Employment Act, 1975 \*
5. The Service tax number of our Company is AAICA0014BSD005 issued by Department of Revenue of Ministry of Finance under Chapter V of the Finance Act, 1994.
6. The Central Excise Registration number of our Company is AAICA0014BEM003 issued by Central Board of Excise and Custom under the Central Excise Act, 1944

*\*Applications dated January 21, 2016 has been made to the Profession Tax Officer for change in name and address of the Company from Artemis Electricals Pvt Ltd to Artemis Electricals Limited and address from 142, Garuda House, Upper Govind Nagar, Hanuman Temple Malad East Mumbai to Artemis Complex, Gala No. 105 and 108 , National Express Highway Vasai East, Thane 401208 .*

***Establishment, business related approvals***

1. Entrepreneurs' memorandum acknowledgment dated May 25, 2012 issued by the District Industries Centre, Thane to our Company for manufacturing of electronic items (LED Set) in prescribed capacity per annum.
2. Our Company has obtained the Udyog Aadhar Memorandum bearing number MH33C0064926 under The Micro, Small and Medium Enterprise Developments Act, 2006 issued by the Ministry of Micro, Small & Medium Enterprises dated August 27, 2018.
3. Factory Layout Approval bearing registration no. 1348 dated April 26, 2016 issued by Directorate of Industrial Safety & Health.
4. Certificate of registration bearing registration number 760116025 dated November 16, 2009 issued by Inspector under Shops and Establishment Act, 1948 for our place of business at Garuda House, Upper Govind Nagar, Malad (E), Mumbai.
5. Our Company has received a Consent to Operate bearing a consent no. SRO-THANE II/CONSENT/R/1708000442 dated August 11, 2017 from the Maharashtra Pollution Control Board for manufacturing of Assembly of Electronic Items such as Lighting Components & Lighting Products. The consent to operate is granted for a period up to October 31, 2022.
6. Our Company has obtained the Certificate of Importer-Exporter Code bearing IEC number 0310031494 issued by the Foreign Trade, Ministry of Commerce dated August 11, 2010.
7. Our Company has obtained Certificate of Marks by Scientist – E & Head, Bureau of Indian Standards under the Bureau of Indian Standards Act, 2016 for the following products:

- AC Supplied Electronic Control Gear for LED Modules having Registration No. R-78000752 which is valid from May 15, 2018 to May 14, 2020;
- Fixed General Purpose LED Luminaires having Registration No. R-78000744 which is valid from May 12, 2018 to May 11, 2020;
- AC Supplied Electronic Control Gear for LED Modules having Registration No. R-78000779 which is valid from May 17, 2018 to May 16, 2020;
- Fixed General Purpose LED Luminaires having Registration No. R-78000698 which is valid from May 05, 2018 to May 04, 2020;
- Fixed General Purpose LED Luminaires having Registration No. R-78000680 which is valid from May 04, 2018 to May 03, 2020.

**Quality Certifications obtained by Our Company**

1. Certificate of registration bearing certificate number 11166 dated May 11, 2016, issued by American Quality Standards Registrars (AQSR) stating that the occupational health & safety management system of our Company conforms to OHSAS 18001:2007. This certificate is valid until May 10, 2019.
2. Certificate of registration bearing certificate number 11167 dated May 11, 2016, issued by American Quality Standards Registrars (AQSR) stating that the Quality management system of our Company conforms to ISO 14001:2015. This certificate is valid until May 10, 2019
3. Certificate of registration bearing certificate number 11165 dated May 11, 2016, issued by American Quality Standards Registrars (AQSR) stating that the Quality management system of our Company conforms to ISO 9001:2015. This certificate is valid until May 10, 2019

**Labour and Employment related approvals**

1. Certificate of registration bearing registration number MH/213484 dated October 1, 2010 issued by Regional Provident Fund Commissioner, Maharashtra for registration of the employees under the Employees Provident Funds and Miscellaneous Provision Act, 1952.
2. Certificate of registration bearing registration number 35000319810000699 dated October 1, 2010 issued by Sub Regional Office Mumbai, Employee State Insurance Corporation for registration of the fifty-two employees under the Employees State Insurance Act, 1948.
3. Certificate of registration bearing registration number MUM42501 issued by Maharashtra Labour Welfare Board under the Maharashtra Labour Welfare Fund. \*

*\*Applications dated August 28, 2018 has been made to the Maharashtra Labour Welfare Fund Board for change in name and address of the Company from Artemis Electricals Pvt Ltd to Artemis Electricals Limited and address from 142, Garuda House, Upper Govind Nagar, Hanuman Temple Malad East Mumbai to Artemis Complex, Gala No. 105 and 108 , National Express Highway Vasai East, Thane 401208 in its Certificate of registration bearing registration number MUM42501 issued by Maharashtra Labour Welfare Board under the Maharashtra Labour Welfare Fund.*

**Intellectual property approval obtained by Our Company**

1. Our Company has obtained trademark registration certificate bearing registration number 2261103 under class 9 for registration of trade name 'ARTEMIS' from the Registrar of

Trademark. The same is valid and due for renewal on January 04, 2022.

***Licenses pending for approval of Our Company***

The Company has made an application dated October 15, 2013 to the Industrial Safety & Health Department of Maharashtra for the License to work a factory under the Factories Act, 1948 and it is currently pending for approval.

## INFORMATION WITH RESPECT TO GROUP COMPANIES

### OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable Accounting Standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered materials by our Board. Pursuant to the resolution dated December 31, 2018, our board vide a policy of materiality has resolved that undermentioned companies shall be considered as Group companies for the purpose of disclosure in this Draft Red Herring Prospectus.

For the purpose of avoidance of doubt and pursuant to Regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our Corporate Promoter will not be considered as Group Companies.

Further, companies which have not been disclosed as related parties in the restated financial statement of our company for the last 3 financial years or which are no longer associated with our company have not been disclosed as group companies.

The following companies are identified as five largest (Based on Turnover) group companies of our company:

1. P.K.Hospitality Services Private Limited
2. Garuda Construction and Engineering Private Limited
3. Golden Chariot Hospitality Services Private Limited
4. Garuda Aviation Services Private Limited
5. Golden Chariot Retreats and Infra Private Limited

Following is the financial information of our five largest unlisted group companies group companies on the basis of Turnover:

#### 1. P.K.Hospitality Services Private Limited

##### Corporate Information

<b>Date of Incorporation</b>	<b>March 23, 2000</b>
<b>Nature of Activities</b>	<ul style="list-style-type: none"><li>• To carry on the business of catering, both indoor and outdoor, caters for public amusements, creation sports, entertainment.</li><li>• To carry on the business of hotel resort, café, tavern, amusing park, refreshment room and lodging house keepers, caters for public amusement.</li><li>• To carry on, within or outside India, business of collecting, segregating, transporting, trading, processing, composting, recycling, treatment and disposal of all types of solid waste including municipal solid waste, electronic waste (e waste), bio-medical waste, hazardous waste, sewage, waste water, undertake use, sale, marketing and/or distribution of all products and by-products that are generated in the process of treatment or disposal of waste and waste products (compost, energy and refuse derived fuel generated form waste to energy processes such as biomethanation, methane gas from landfill, processing, electronic products suitable for re-use with or without re-furbishing paper, metals and other materials including chemicals obtained from treatment of wastes) and to develop, construct, operate and/or maintain/manage processing facilities for all types of waste and waste products including composting plants, landfills and sewages treatment plants, waste water treatment plants, incinerators, refuse derived field plants and</li></ul>



	<p>electronic waste processing plants. To undertake solid waste management work in whole or in part either on contract basis for any person or government authorities or private authorities or otherwise.</p> <ul style="list-style-type: none"> <li>• To carry on the business of developers, builders, general construction contractors, estate agents, erectors, constructors of buildings, houses, apartments, structures, villas, restaurants, shelters, civil engineering and or residential, office, industrial premises and to undertake execution of various infrastructure projects, contracts in joint venture or otherwise in India or abroad and to acquire, accept and participate fully or partly in any kind of contract, agreement, arrangements or understanding in order to collect and transfer any kind of Revenue like Toll, Octroi for and on behalf of Government, Semi-Government, and Private Agencies.</li> <li>• To participate in the games of cricket, any other sports including trading in Players in India or abroad and to participate and carry on the business of operation of Team having right to operate franchise and act as Franchisee and to bids for the Players in auction in Cricket, any other sports and exploitation of all types of Franchisee Rights, like Media rights, all commercial rights, sharing prize money and purchase, sale and to deal in thereof and purchase sale tickets thereof and to encourage and promote and participate in Cricket and any such other sports, games in any form and participate in Bids for the same and to operate Franchisee and operation of team and to lay out any ground for playing cricket, other sports and for other purposes and to provide pavilions, refreshment rooms and other conveniences in connection therewith, and with a view thereto, purchase, lease or otherwise acquire land at such price or rent and for such period and upon such terms and conditions as may seem expedient and to carry on the business of marketing, Advertisements, image building, Entertainments, films. To promote and market all types of branded and unbranded gears, equipments and accessories of all sports and games.</li> </ul>
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## Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital (paid-up capital)	750.56	600.56	502.56
Reserves (Excluding revaluation reserve)	7,517.65	5,466.17	4,165.23
Sales (Turn Over)	17,341.18	10,969.59	8,950.78
Profit after tax	701.47	487.54	2,61.07
Earning per share	13.51	9.70	5.19
Diluted Earnings per share	13.51	9.70	5.19
Net Asset value	110.16	101.02	92.88

## 2. Garuda Construction and Engineering Private Limited

### Corporate Information

<b>Date of Incorporation</b>	September 21, 2010
<b>Nature of Activities</b>	<ul style="list-style-type: none"> <li>• To carry on the business in India and abroad as civil contractors, infrastructure development contractors, contractors and engineers for construction of gas and water pipelines and engineers and civil engineers, electrical engineers,</li> </ul>

	mechanical engineers, architects, interior decorators and to construct, acquire, develop, establish, consult provide, maintain, administer or otherwise undertake contract for any type of civil construction, infrastructure development works, mining operations, road construction, erection, lay out, repair, demolition work of highways, subways, underground tunnels, runways, flyovers, bridges, freeways, railways, earthwork and irrigation projects, power house, reclamations, buildings, apartments, reservoirs, water courses, dams, jetties, water works, water treatment plant, gardens, recreation facilities, power transmission lines, factory sites, RCC & steel structure and steel fabrication, godowns, warehouses, lands and houses, drainage and sewage systems, air field, apron and hanger works in India and/or outside India under various schemes such as Build, Operate and Transfer (BOT), Build, Operate, Lease and Transfer (BOLT) and Build, Operate, Own and Transfer (BOOT) and to construct, sell, lease, license, sublet, mortgage, exchange, transfer or otherwise dispose of or residential, offices, industrial, institutional or commercial or developers of housing schemes, townships, holiday resorts, hotels, motels, auditoriums and maintaining and rehabilitation of all types of structures, flats, houses, factories, shopping complexes, garages, warehouses, buildings, works, workshops, hospitals, nursing homes, clinics, godowns and other commercial and educational purposes.
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### Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital (paid-up capital)	375.00	375.00	375.00
Reserves (Excluding revaluation reserve)	299.79	103.33	1.23
Sales (Turn Over)	11,693.85	4,759.02	2,840.51
Profit after tax	196.45	102.09	57.73
Basic and Diluted Earnings per share	5.24	2.72	7.61
Net Asset value	17.99	12.76	10.03

### 3. Golden Chariot Hospitality Services Private Limited

#### Corporate Information

<b>Date of Incorporation</b>	March 21, 2000
<b>Nature of Activities</b>	<ul style="list-style-type: none"> <li>To carry on the business of catering, both indoor and outdoor, caters for public amusements, recreation, sports, entertainment.</li> <li>To carry on the business of hotel resort, café, tavern, amusing park, refreshment room and lodging house keepers, caters for public amusement</li> </ul>

#### Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital (paid-up capital)	100.00	100.00	100.00
Reserves (Excluding revaluation reserve)	328.89	252.59	217.22

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Sales (Turn Over)	2,706.67	2,806.86	1,829.02
Profit after tax	76.30	34.92	37.80
Basic and Diluted Earning per share	7.63	3.49	3.78
Net Asset value	42.89	35.26	31.72

#### 4. Garuda Aviation Services Private Limited

##### Corporate Information

Date of Incorporation	January 22, 1999
Nature of Activities	<ul style="list-style-type: none"> <li>To acquire exclusive after sale services right from foreign manufacturer of aviation ground support equipment including quality control instrument and consultancy including commissioning of equipment to new airport or expansion and replacement of existing on site and manufacturing and fabricating aviation ground equipment including repairing in collaboration or under licensing of foreign manufacturer of the above equipment in India, to undertake ramp handling of airport authority under the regulation of airport authority of India which includes services, aircraft handling like attendance, marshalling, parking, starting, safety measure handling of non-schedule flights/technical landings, aircraft servicing like liaison for fuelling and liaison with suppliers for replenishing of oil and other fluids, cabin equipment, basic essential line maintenance, routine &amp; non-routine services, cooling &amp; heating, aircraft cleaning including exterior cleaning, interior cleaning, toilet service, water service, loading &amp; unloading including load/unload passenger baggage, transshipment of passenger baggage, operation of loading/unloading equipment, positioning and removing of passenger stairs/bridges, emplane/deplane passenger, make-up of baggage, business of passenger/crew, bulk loading/unloading of baggage, cargo handling which include-load and offload, export, import and transshipment of cargo from the aircraft, mail handling of cargo, break/make-up of cargo, palletization/containerisation of cargo, break/make-up of cargo container/unit load device, bulk loading/unloading, security which include-watch &amp; ward of registered baggage/cargo/aircraft &amp; handling equipment, aircraft security/inspection in transit security/surveillance for ladders point check, security for catering items, to undertake traffic handling of airport authority under the regulation of Airport Authority of India which include-handling documents and load control, passenger and baggage handling at the airport terminals, including passenger check-in, flight operation which include-inform the carrier of an known project effecting the operational services and facilities made available to its, aircraft in the area of responsibility, flight preparation at the airport of departure, flight preparation at a point different from the airport of departure, in-flight assistance, post flight activities, in-flight re-despatch , communication system associated with ground handling, material handling, surface transport which include arrangements for the transportation of passengers/baggage and cargo between separate terminals at the same airport, arrangements for passenger/crew transport together with their baggage airport and city or other agreed points, representational services which include- liaison with local authorities, information to interested parties, movement of the carrier</li> </ul>

	aircraft, disbursement of payment on behalf of the carrier at all airports, supervision and administration services, security which include- registered baggage x-ray scan checks (baggage and cargo), surveillance/vigilance for registered baggage at baggage makeup/break up area of the airport, baggage identification/ watch and ward of registered baggage, to provide city side transport services to all operators and aircraft owners to transport their crew and passengers, to participate in tenders pertaining to various government agencies to undertake works relating to services at airport viz. management of car parking, management of left luggage facilities, retrieval of trolleys, advertisement at airport, providing catering staff, catering services and to undertake any other work/works with the prior approval of the airport authority.
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### Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital (paid-up capital)	326.48	326.48	326.48
Reserves (Excluding revaluation reserve)	1,284.85	1,242.37	1,013.11
Sales (Turn Over)	2,157.11	3,890.34	3,443.07
Profit after tax	42.47	223.96	(1,27.50)
Basic and Diluted Earing per share	1.30	6.86	(3.91)
Net Asset value	49.35	48.05	41.03

### 5. Golden Chariot Retreats and Infra Private Limited

#### Corporate Information

<b>Date of Incorporation</b>	November 18, 2014
<b>Nature of Activities</b>	<ul style="list-style-type: none"> <li>To carry on all the business of hotels, restaurants, cafes, holiday camps, resorts, taverns, beer-houses, refreshment rooms, night clubs, cabarets and swimming pools and Turkish baths and lodging or apartment house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, distillers, bakers, importers and manufactures of aerated mineral and artificial water and other drinks. To carry on all the business of purveyors, caterers for public generally, taxi, motor car and motor lorry proprietors, livery, stable and garage proprietors, farmers, dairymen, ice merchants, importers and brokers of food, live and dead stock and foreign produce of all descriptions, hair dressers, perfumers, chemists, Proprietors of clubs, baths, bars, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement, recreation, sport, entertainment of all kinds, health club, beauty saloons, indoor and outdoor playgrounds and stadiums, swimming pools, video and other fun game rooms, race courses, meditation centres, boating clubs, flying clubs, freezing hot preservation and baking chambers, and other apartments, tobacco and cigar merchants, agents for railways, shipping and airline companies and carriers and theatrical and box office proprietors entrepreneurs.</li> </ul>

	<ul style="list-style-type: none"> <li>To acquire by purchase, lease, exchange or otherwise lands, buildings, structures of any description in India or abroad and estate or interest therein and rights over or in connected with land, building, and structures for constructing, developing, reconstructing, altering, improving, decorating, furnishing, maintaining townships, markets, industrial estate, industrial parks, farms, farm houses, offices, flats, apartments, factories, warehouses, hotels, motels, holiday resorts, club house, recreational centres, bridges, other infrastructural projects, or other buildings residential or commercial of all kinds and conveniences thereon and sell the same on ownership basis, installments basis, hire purchase basis, lease basis or otherwise transfer such building to co-operative society or association of persons or individuals as the case may be.</li> </ul>
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### Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital (paid-up capital)	257.50	257.50	57.50
Reserves (Excluding revaluation reserve)	689.15	651.34	65.33
Sales (Turn Over)	1,328.73	1,539.54	2,517.99
Profit after tax	37.81	86.01	65.22
Basic and Diluted Earning per share	1.47	14.68	52.21
Net Asset value	36.76	35.29	21.36

### Common Pursuit:

Our group company is not engaged in the same line of business or have any common pursuits as our Company.

### Dissociation of Promoters in the Last Three Year:

Our Promoter, Pravin Agarwal & M/s Yashvikram Infrastructure Private Limited have not disassociated themselves from any Companies/entities in the last three years except following:

Name of Entity	Date of Disassociation	Reason for Disassociation
Golden Chriot Delhi Foods Private Limited	March 25, 2016	The name of the company was struck off by Registrar of Companies on application made by the company.
Golden Chariot Hospitality Services Private Limited	February 16, 2017	Resignation from directorship of the company

### Business Interests amongst our Company and Group Company /Associate Company

We have entered into certain business contracts with our Group Entities. For details, see "Financial Statements" on page 182 of this Draft Red Herring Prospectus.

### Sale or Purchase between Our Company and Our Promoter Group Company:

For details, see section titled "Financial Statements" on page 182 of this Draft Red Herring Prospectus.

### Changes in Accounting Policies in the last three years

Except as mentioned under the paragraph Changes in Significant Accounting Policies, under Chapter

titled "Financial Statements" beginning on page 182 of this Draft Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

**Defunct /Struck of Company:**

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies.

**A. LITIGATION INVOLVING OUR GROUP COMPANY:**

**I) Litigation against our Group Company:**

**a) *Litigation Involving Criminal Laws:***

1. **Mohammed Waseem Sayed vs Mr. Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, P.K. Hospitality Services Private Limited**

Mohammed Waseem Sayed, an employee of Novex Communication Private Limited ("**Complainant**") has lodged a complaint on December 18, 2015 against Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, M/s. P.K. Hospitality Services Private Limited ("**Accused**"), under section 63 and 69 of Copy Right Act, 1957 read with section 420 and section 34 of Indian Penal Code. For further details in relation to the said matter, please refer to the section "*Litigations involving our Directors*" in the Chapter Outstanding Litigation and Material Developments.

**a) *Litigation Involving Civil Laws:***

1. **Sanjay Hansraj Sethi vs Shankar J. Mishra, & Others- Writ Petition (PIL) No. 51 of 2011**

Hansraj Sethi ("**Petitioner**") has filed a Writ Petition (PIL) against Shankar J. Mishra and Others ("**Respondents**") in the High Court of Judicature of Bombay ("**Court**") against the alleged encroachment on the property bearing survey number 152 situated at Village Manikpur, Vasai East. The Court *vide* its order dated November 14, 2011 allowed the application for impleading one of our Group Company, Golden Chariot Hospitality Service Private Limited as a party respondent in this present Public Interest Litigation.

Herein, the Petitioner accused the Respondents for defrauding to the State of Maharashtra by converting the total plot area in respect of Survey No.114, Hissa No. A & B from 709.76 sq. meters to 4,709.76 sq. meters by the way of collusions with each other. The Plaintiff contended that, the increased area of the land i.e. 4000 sq. meters is meant for salt irrigation and was illegally made part of the acquired land. Further, the Plaintiff states that the bungalows have been constructed on the said property, and as result the sum of more than Rs. 50,00,00,000 have been defrauded. Therefore, the Petitioner in this suit has prayed to issue a writ for directing the appointment of some retired judge of the Court or any other court as an inquiry officer and or directing some senior IPS Officer of the State of Maharashtra to conduct an inquiry in regard to the actual plot of the area in respect of Survey No. 114, Hissa No. A & B. The Petitioner has also prayed to demolish any construction on the land which belongs to the Government of India. The matter is currently pending.

2. **Maharashtra State Road Development Corporation vs Garuda Aviation Services Private Limited- Suit No. 5694 of 2006**

Maharashtra State Road Development Corporation ("**MSRDC**") has filed a suit against Garuda Aviation Services Private Limited ("**GAPL**") in Bombay City Civil Court for recovery of Rs. 17,06,108 along with interest at the rate of 24 % per annum from the date of this suit. The suit is pertaining over the dispute of non-payment of installments as per the term of contract between the parties for collection of toll at toll station at Shrirampur, Maharashtra.

However, MSRDC *vide* a letter dated July 26, 2018 to GAPL had introduced a onetime settlement scheme, whereby the contractors whose contracts have expired but are in arrears are given an opportunity to clear their outstanding dues of MSRDC with reduced rate of interest. Currently, MSRDC and GAPL are working on preliminary discussion for settlement of matter.

3. **Jet Airways (India) Limited vs Garuda Aviation Private Limited- Suit No. 3190 of 2010**

Jet Airways (India) Limited ("**Plaintiff**") has filed a suit against Garuda Aviation Private Limited ("**Defendant**") in the High Court of Judicature of Bombay for the payment of Rs. 10,93,360 with further interest on the principal amount of Rs. 7,50,000 at the rate of 18% from the date of filing of this suit till the final payment and/or realisation. The Plaintiff, in this suit, has alleged the Defendant for the collection of unauthorized parking fee from them. Currently, the matter is pending for recording evidence of the Plaintiff.

4. **Airport Authority of India vs Garuda Aviation Services Private Limited - Cont. P. No. 382 of 2018**

Airport Authority of India had filed a contempt petition against Garuda Aviation Services Private Limited ("**Respondent**") in the High Court of Judicature of Madras ("**Court**") for the disobedience to the orders of the Court dated September 12, 2017. The Court *vide* the said order directed the Respondent to remit the arrears of license fee and to furnish a bank guarantee for a sum of Rs.1,00,00,000 forthwith valid till December 31, 2017. In addition to this, the Court also directed to initiate the proceedings before the dispute resolution committee in terms of Article 29 of the license agreement entered between the parties. Currently, the matter is pending.

5. **Airport Authority of India vs PK Hospitality Services Private Limited- Arbitration Appeal No. 18 of 2018**

Airport Authority of India ("**Appellant**"), through its director at Goa has filed an appeal against PK Hospitality Services Private Limited ("**Respondent**") in the High Court of Bombay at Goa under Arbitration and Conciliation Act, 1996 to quash and set aside the order dated March 20, 2018 by the District Court, South Goa at Margoa in the Arbitration Application No.5 of 2018. The District Court at Margoa *vide* the said order restrained the Appellant from evicting the Respondent from the suit premises, i.e. the area of 340 sq. meters in the Airport Civil Enclave of new integrated terminal building of Goa Airport, in the manner contrary to the terms of the agreement till the conclusion of the arbitration proceeding. The matter is currently pending.

6. **Sou. Mathura Bhalchandra Vartak and Others. vs Laxman Bhaskar Vartak and Others.- Civil Suit No. 131 of 2008**

Sou. Mathura Bhalchandra Vartak and Ors. ("**Plaintiff**") has filed a civil suit against Laxman Bhaskar Vartak and Others in the Court of the Hon'ble Civil Judge (Senior Division) at Vasai for the partition and separate possession of the suit properties wherein our Company "Artemis

Electricals Limited is Defendant No. 125 is the is a necessary party to the suit for partition and one of our Group Company, P.K Hospitality Limited is Defendant No. 124. For further details in relation to the said matter, please refer to the section "Litigations involving our Company" in the Chapter Outstanding Litigation and Material Developments.

**b) *Litigation Involving Actions by Statutory/Regulatory Authorities:***

*NIL*

**c) *Other Material Pending Litigations:***

*NIL*

**II) Litigation by our Group Company:**

**b) *Litigation Involving Criminal Laws:***

**1. P.K. Hospitality Services Private Limited vs. Chander Amolakram Tara and Others.- Criminal Complaint no. 439 of 2015**

P.K. Hospitality Services Private Limited ("**Complainant**") has filed a criminal complaint against Chander Amolakram Tara and Others ("**Accused**") in the court of Vasai for misusing the power given to them under Power of Attorney pursuant to its termination. The Complainant has prayed to bring the Accused under book of law. Currently, the matter is ongoing and pending for verification.

**c) *Litigation Involving Civil Laws:***

**1. Garuda Aviation Services Private Limited vs Airport Director of Pune Airport- Petition No. 570 of 2017**

Garuda Aviation Services Private Limited ("**Petitioner**") has filed a petition against the Airport Director of Pune Airport ("**Respondent**") in High Court of Judicature of Bombay for challenging the arbitral award dated November 20, 2017 on the grounds of illegality, procedural impropriety and intentionality. The Airport Authority of India, Pune had, without the Petitioner's knowledge and will, altered the terms and conditions of the contract under which the Petitioner was granted the license for the management of the car park for a license fee of Rs. 10,61,786 per year. The Petitioner, therefore, prayed to set aside the said arbitral award and to stay on the same. In addition to this, the Petitioner also prayed to direct the Respondent to not encash the Bank Guarantee of Rs. 93,27,372. Currently, the matter is in the pre-admission stage and is pending.

**2. Garuda Aviations Services Private Limited vs Airport Authority of India- Application no. 3163/ 2018**

Garuda Aviations Services Private Limited had filed an appeal against the Airport Authority of India ("**Respondent**") in the High Court of Judicature at Madras against the orders of this Court dated September 12, 2017 and September 21, 2017 as the judge has failed to consider, understand that clarification of order is necessary so as to remove the ambiguity which the Respondent are purposefully creating for not appointing an Arbitrator. The matter is currently pending.



3. **Garuda Aviation Services Private Limited vs Airports Authority of India- S.R. No. J-11845**

The Garuda Aviation Services Pvt Ltd ("**Appellant**") has filed an appeal against the Airports Authority of India ("**Respondent**") in the High Court of Judicature at Madras ("**Court**") against the order dated September 12, 2017 passed by Lordship Hon'ble Ms. Justice Anita Sumanth in the Application Nos. 3581 and 5380 of 2017. The Court vide the said order, directed the Appellant of this appeal to remit the arrears of license fee on or before September 18, 2017 and to furnish a bank guarantee for a sum of Rs.1,00,00,000 forthwith valid till December 12, 2017. The Court also issued the direction to immediately start the proceedings, as agreed to by both parties, before the Dispute Resolution Committee in terms of Article 29 of the License Agreement between the parties.

4. **Garuda Aviation Services Private Limited vs Airports Authority of India- S.R. No. J-11848**

The Garuda Aviation Services Private Limited ("**Appellant**") has filed an appeal against the Airports Authority of India ("**Respondent**") in the High Court of Judicature at Madras against the order dated September 21, 2017 passed by Lordship Hon'ble Ms. Justice Anita Sumanth in Application Nos. 3581 and 5380 of 2017. The High Court of Madras vide the said order declined to entertain the application for seeking recall of order dated September 09, 2017, passed in A. Nos. 3580 and 3581 of 2017 and modification of the same.

5. **Golden Chariot Hospitality Private Limited vs Brihanmumbai Municipal Corporation (BMC)**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") has filed a suit bearing no. 1540 of 2017 against the BMC ("**Defendant**") challenging Order in Dindoshi court issued against the Notice issued by the Defendant cancelling the NOC granted to the Plaintiff for carrying out the trade of eating house/ restaurant with the use of PBG as a fuel contending that it was not granted for the said premises. The Plaintiff prayed that the order passed by the Defendant and the show cause notice dated May 04, 2017 issued by the Defendant be declared as null and void. The Defendants be directed to accept the fees and renew the eating license subject to the condition to the outcome of this suit. The matter is currently pending.

6. **P.K. Hospitality Services Private Limited vs Chander Amolakram Tara and Others- Regular Civil Suit No. 972/2012**

P.K. Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against Chander Amolakram Tara and Others ("**Defendants**") in the Court of Civil Judge, Vasai for misusing the power given to the Defendants under the Power of Attorney pursuant to its termination. The Plaintiff in addition to the injunction, prayed for the invalidity of Deed of Conveyance and Deed of Confirmation since both of these were entered illegally by the Defendants. The matter is currently pending.

7. **Golden Chariot Hospitality Services Private Limited vs Lupin Performance Chemicals Limited- S.C Suit No. 2515 of 2013**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against Lupin Performance Chemicals Limited ("**Defendant**") in the Bombay City Civil Court at Dindoshi. The Plaintiff, through this suit, prayed for the permanent order and injunction of the Hon'ble Court, thereby restraining the Defendant, its servants, agents, affiliates and/or anybody claiming through, along or under them from dispossessing the Plaintiff and/ or their staff members from the suit premises viz. the premises bearing no 3 and 4, admeasuring 98.71

sq. feet and 93.75 sq. feet respectively situated on the second floor of the shopping mall known as the Hub at Goregaon (East), Mumbai. The matter is currently pending.

8. **Golden Chariot Hospitality Service Private Limited vs The State of Maharashtra and Others- Writ Petition No. 1281 of 2017**

Golden Chariot Hospitality Service Private Limited ("**Plaintiff**") filed a writ petition against State of Maharashtra and Others ("**Defendant**") in the High Court of Judicature at Bombay. The Plaintiff prayed to issue a writ of mandamus and/or any other writ order or direction in the nature of mandamus ordering/ directing the Respondent No. 3, 4 and 5 to issue a No Objection Certificate or in alternative to examine the amalgated area being shop no. 23 and 24 situated at the Hub Mall, Goregaon (East), Mumbai ("**Premises**") and to declare the order dated October 07, 2015, issued on account of non-submission of NOC in respect of the said Premises null and void. The matter is currently pending.

9. **Golden Chariot Hospitality Services Private Limited vs The Municipal Corporation of Greater Mumbai and Others- Appeal No. 161 of 2017**

Golden Chariot Hospitality Services Private Limited has filed an appeal against the Municipal Corporation of Greater Mumbai and Others under section 394(5) of the Mumbai Municipal Corporation Act, 1888 in the Court of Small Causes at Bombay for interim stay on the order passed by the lower court on May 09, 2017 and interim stay on order of cancellation of trade license passed on March 06, 2017. The matter is currently pending.

10. **PK Hospitality Services Private Limited vs Airport Director of Goa Airport and Another- Regular Civil Suit No. 33 of 2016**

P.K. Hospitality Services Private Limited ("**Plaintiff**") filed a civil suit against the Airport Director of Goa Airport and Another ("**Defendants**") in the Court of Civil Judge Senior Division at Vasco de Gama under section 6 for the specific relief act along with injunction for the decree and direction to forthwith put the Plaintiff in peaceful, use, occupation and possession of the suit premises viz. (i) One snack counter outer arrival hall of NITB, (ii) Staff canteen near to old terminal building and (iii) Kitchen / old restaurant opposite to old terminal building and thus restore the status quo ante as prevailing vis – a vis the said suit premises.

The Plaintiff is a licensee at the Goa Airport for the purpose of operation of restaurant and four snack bars inside the terminal building in terms of the contract and timely amendment thereof since 19 years with the Defendants, being the lessor. The parties agreed to include an additional area of 25 % to the existing area @ 25 extra on the current license fee to be paid by Plaintiff w.e.f May 01, 2016 and the terms of the contract was according revised and agreed by the parties. However, the Defendants have failed to handover the excess area of 25 %. The Plaintiff has prayed to grant temporary/permanent injunction, thereby restraining the Defendants, its members and their agents, servants and representatives in the suit premises and to pass a direction to the Defendant to hand over the excess area of 25% according to the agreed terms and conditions of the contract. Currently the matter is ongoing and pending for order on interim application.

11. **PK Hospitality Services Private Limited vs Airport Authority of India- Regular Civil Suit No. 4 of 2017**

P.K. Hospitality Services Private Limited ("**Plaintiff**") had filed a civil suit against the Airport

Authority of India ("**Defendant**") in the Civil Court at Vasco da Gama for the injunction and specific performance under Section 9 of the Code of Civil Procedure. The Plaintiff is the licensee at the Goa Airport, Civil enclave, Goa for operation of restaurant and four snack bars inside the terminal building as per agreement and timely amendment thereafter. The matter of this suit pertaining to the proposing to float a tender by the Defendant in respect of the additional area of 25% adjoining to the restaurant ("**Suit Premises**"), which was agreed to hand over to the Plaintiff under a concluded contract *vide* a letter of acceptance of proposal by Plaintiff dated July 08, 2016. The Plaintiff, therefore, prayed to direct the Defendant to specifically perform their agreement and thereby handover additional 25% of area to the Plaintiff. The Plaintiff also prayed to grant a permanent injunction in favor of the Plaintiff by restraining the Defendant, its members and their agents, servants, representatives or any other persons acting on their behalf by not creating third party rights or obstacles near the suit premises and further restrain the Defendant from starting any tender process in respect of the excess / additional area. The matter is currently pending.

12. **PK Hospitality Services Private Limited vs Airport Director of Goa Airport and Airport Authority of India- Regular Civil Suit No. 4 of 2017**

P.K. Hospitality Services Private Limited ("**Plaintiff**") had filed a civil suit against the Airport Director of Goa Airport and Airport Authority of India (collectively the "**Defendants**") in the Civil Court at Vasco da Gama. The matter of this suit pertaining to the termination and vacation letters dated February 28, 2017 and March 06, 2017 by the Defendants for not extending the temporary extension granted to the Plaintiff for restaurant at Domestic/ International SHA and 4 snack bars at different location beyond March 31, 2017. Therefore, the Plaintiff in this suit prayed to restrain the defendants or their agents, servants, representatives or any other persons acting on their behalf from giving any effect to or acting in terms of the said termination and vacation letters. The Plaintiff also prayed for declaring the said termination and vacation letters as null and void. The matter is currently pending.

13. **PK Hospitality Services Private Limited vs Brihanmumbai Municipal Corporation- Suit no. 1137/2012**

PK Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against BMC ("**Defendant**") in Dindoshi Court, Mumbai for dispute over disconnection of water connection at the commercial premises bearing no. 401 admeasuring 1820 sq. feet on the fourth floor of the building known as V Mall situated at Poisar, Kandivali (East), Mumbai. The Plaintiff prayed for the direction to the Defendant to immediately restore the water connection and also for the permanent order and injunction thereby restraining the Defendant, its officers and agents from disconnection the water connection. The matter is currently pending.

14. **PK Hospitality Services Private Limited vs Asset Reconstruction Company & Others- Misc Application No. 84 of 2013**

PK Hospitality Services Private Limited ("**Plaintiff**") has filed appeal in Debt Recovery Tribunal No. II, Mumbai against the Asset Reconstruction Company & Others ("**Defendant**") for modification of the judgement dated November 14, 2008 passed in original application no. 131 of 2006 in respect of the dispute over the mortgaged property situated at survey no 44, Hissa no. 5/1 and 10/1, in the registration district and sub district of Thane ("**Mortgaged Property**"). The Plaintiff being a third party was not aware of the impugned order dated November 14, 2008 creating a purported mortgage on the Mortgaged Property. The Plaintiff is the sole owner of the Mortgaged Property and the mortgaged was created by the Defendant

- on the Mortgaged Property claiming it to being his personal property. Therefore, the Plaintiff prayed to modify the impugned judgement dated November 14, 2008 and declare that the alleged Mortgaged Property is in fact not mortgaged in the favour of the Respondent and also grant interim relief pending the hearing and final disposal of the suit. The matter is currently pending.
15. **PK Hospitality Services Private Limited vs Airport Authority of India, Pune**
- PK Hospitality Services Private Limited ("**Claimant**") has filed an arbitration proceeding against the Airport Authority of India, Pune ("**Respondent**") before the sole Arbitrator A.N.K Kaimal. The Claimant was awarded contract of restaurant and snack bar admeasuring 445.93 sq meters at civil enclave, Pune Airport for a period of 120 months commencing from September 20, 2007 to September 19, 2017. In 2009, the restaurant of the Claimant was sifted to new departure hall at the Pune Airport due to the expansion/ renovation work at the airport. The Claimant suffered huge expenses in sifting and their restaurant in old building was wasted. The Respondent failed to adhere to the terms and conditions of the contract and was duty bound to provide rebate of the license fee upon sifting of the restaurant. The Claimant, therefore, prayed that since the Respondent failed to discharge its obligations under the contract with respect to the lease of the restaurant property at Pune Airport, an award for a sum of Rs. 20,33,00,620 be awarded for the losses suffered due to the breach of the contract. In addition to the above, the claimant also prayed for an award for interest and damages suffered by the Claimant. The matter is currently pending.
16. **PK Hospitality Services Private Limited vs State of Uttarakhand & Others- Civil Writ Petition No. 3038 of 2017**
- P.K. Hospitality Services Private Limited ("**Petitioner**") has filed a writ petition against the State of Uttarakhand & Others ("**Respondents**") before the Hon'ble High Court of Uttarakhand at Nainital for the declaration of the proceeding in Case No.1/2017, Notice for recovery under section 28G (2) of Airport Authority Act, 1994, against the Petitioner as illegal, arbitrary and void. The Petitioner also prayed to issue any appropriate order or direction or a writ, more particularly a writ of certiorari to call for the records and set aside the impugned order issued by the Eviction Authority, Airport Authority of India ("**Respondent No. 3**"). Herein, the Civil Court at Rishikesh vide the order dated October 01, 2016 directed the Respondents of this writ petition to not to dispose the Plaintiff without following the due process of law. However, the Eviction Officer had issued the notice to the Petitioner for eviction of premises. Further, the Respondent No. 3 vide the letter dated April 27, 2017 initiated a proceeding under section 28G (2) of Airport Authority of India Act, 1994 for unauthorized occupation during the period from July 05, 2015 to January 08, 2017 at AAI Dehradun Airport. The matter is currently pending.
17. **Golden Chariot Hospitality Services Private Limited vs Municipal Corporation of Greater Mumbai and Assistant Commissioner, Municipal Scholl Building, Goregaon - Suit No. 2659 of 2014**
- Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against the Municipal Corporation of Greater Mumbai and Assistant Commissioner, Mithanagar, Municipal Scholl Building, Goregaon (W) in the City Civil Court at Dindoshi ("**Assistant Commissioner**"), (collectively the "**Defendants**") challenging the notices issued by the Assistant Commissioner on November 08, 2014 and November 10, 2014 under section 394(4) of the Mumbai Municipal Corporation Act, 1988 to discontinue the use of the shop no 11, 23

and 24 owned by the Plaintiff at the Hub Mall Goregaon (East). The Plaintiff in addition for the declaration of said notices as null and void, also prayed for the restraint of the Defendants and their officers by a permanent order and injunction from implementing the said notice. The matter is currently pending.

18. **Golden Chariot Hospitality Services Private Limited vs The Municipal Corporation of Greater Mumbai and Others- L.C. Suit No. 827 of 2016**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") had filed a suit against the Municipal Corporation of Greater Mumbai, Assistant Commissioner, Goregaon West and Designated Officer-I, Asst., Engr (B&F) Goregaon West ("**Defendant No. 3**"), (collectively the "**Defendants**") in the City Civil Court at Dindoshi challenging the notices issued by the BMC ("**Defendant**") on February 09, 2016 and March 22, 2016 under section 351 of the Mumbai Municipal Corporation Act, 1988 for unauthorized addition/alteration of Golden Chariot & Hotel Monkey Brass by amalgamating the shops passage and food court, unauthorized addition of toilet block, construction of loft in toilet block and kitchen and unauthorized AC unit in the staircase area at second floor Hub Mall Goregaon (East). The Plaintiff, in this suit, in addition to the declaration of said notices as declared as null and void, also prayed for the restraint of the Defendant and their officers by a permanent order and injunction from implementing the said notice. The matter is currently pending.

19. **Pravin Kumar Agarwal & Others vs M/s. Pranik Landmark Associates & Others- S.C. Suit No. 40 of 2011**

Pravin Kumar Agarwal & Others have filed a suit against M/s. Pranik Landmark Associates & Others in the Bombay City Civil Court at Dindoshi Court, wherein, our Group Company, Golden Chariot Hospitality Services Private Limited is Defendant No. 5. For further details in relation to the said matter, please refer to the section "**Litigations by our Promoters**" in the Chapter Outstanding Litigation and Material Developments.

20. **PK Hospitality Services Private Limited vs. Airport Authority of India – Cross Objections No. 4 of 2018**

PK Hospitality Services Private Limited ("**Applicant**"), through its director at Goa has filed a cross objection suit against the Airport Authority of India ("**Respondent**") in the High Court of Bombay at Goa under Order 41 Rule 22 of the Code of Civil Procedure r/w section 37 of the Arbitration and Conciliation Act, 1996 r/w Amendment Act, 2015 contending the continuation of arbitration appeal -18 of 2018 filed by the Airport Authority of India against PK Hospitality Services Private Limited (for further details in relation to the said appeal, 18 of 2018 please refer to the section "**Litigations against our Group Companies**" in this chapter).

The cross objections were filed against the continuation of the impugned appeal on the grounds that the District Court while directing the continuation of the proceedings has failed to consider the important clauses to the Agreement between the parties, which shall continue to be in effect and that the provisions of the Airport Authority of India Act were not contemplated under the said Agreement. The District Court had also failed to consider that the Airport Director who was acting as an Eviction Officer is also directly interested in the present matter and that the parties had agreed to be bound by the provisions of the Arbitration and Conciliation Act and the provisions of the Public Premises (Eviction of Unauthorized Occupants) Act, 1994 and not the Airport Authority of India Act. The Plaintiff

prays that the Court to call for the records and proceedings from the Court of District Judge, South Goa at Margao in Arbitration Application No. 5/2018 and after examining the legality and propriety of the same, set aside the Order dated 20.03.2018 to the limited extent and restrain the Respondent from continuing the said proceedings initiated u/s 28C of the Airport Authority of India Act. The matter is currently pending.

21. **PK Hospitality Services Private Limited vs. Mumbai Metropolitan Region Development Authority (“MMRDA”), Ayesa – Italferr-CEG-Ayesa India JV (AICA) and Others – Commercial Suit No. (ST.) 1316 of 2018**

PK Hospitality Services Private Limited ("**Plaintiff**"), through its authorised representative has filed a civil suit against Mumbai Metropolitan Region Development Authority ("**MMRDA**"), Ayesa – Italferr-CEG-Ayesa India JV (AICA) and Others ("**Defendants**") in High Court of Bombay. MMRDA ("**Defendant no. 1**") had floated a request for a proposal of Tender NIT No. MMRDA/2B/MMRP/CA-07/Vol-1/NIT/2017, tender no. 1068 for the work of "part design and construction of elevated viaduct and 5 elevated stations viz Diamond Garden, Shivaji-Chowk, BSNL metro, Mankurd & Mandale (*excluding architectural finishing and pre-engineered steel roofstructure of station*) from Chainage 52665.359 m to 57757.000 m of line 2B (*D.N. Nagar-Mandale*) of Mumbai Metro Rail project and to meet terms and conditions for submission of e-tender no. 1068, the Plaintiff on request of M/s Guandong Guan Yue Highway and Bridge Co. Ltd. and M/s Niraj Cement Ltd., Defendant no. 3 and 4 respectively, and after getting confirmation from the Defendant no. 1's concerned department; Plaintiff gave Bank Guarantee no. 3735ILG000118 dated January 15, 2018 of Rs. 4,20,00,000 (Rupees Four Crore Twenty Lakh only) in form accepted by Defendant No. 1.

Defendant no. 5 was unable to provide bank guarantee to Defendant no. 1 & 2 due to various reason and the Plaintiff requested the Defendants that it may be allowed to pay the bank guarantee on behalf of Defendant no. 5 which was refused. Further Defendant no. 1 vide its letter dated September 12, 2018 to Defendant no. 5 alleging various allegations declared the award contract annulled and forfeited the amount paid for tender security. The Plaintiff has prayed for the Defendant no. 1 to return the Bank Guarantee of Rs. 4,20,00,000 (Rupees Four Crore Twenty Lakh only), grant of temporary injunction and other reliefs. The matter is currently pending.

22. **PK Hospitality Services Private Limited vs. Mumbai State Road Development Corporation Limited (“MSRDC”) and Joint Managing Director-III, MSRDC Ltd. – Civil Suit No. 159 of 2019**

PK Hospitality Services Private Limited ("**Plaintiff**"), through its authorised representative has filed a civil suit against Mumbai State Road Development Corporation Limited ("**MSRDC**") and Joint Managing Director-III, MSRDC Ltd. ("**Defendants**") in City Civil Court at Bombay, Borivali Division, Dindoshi under section 34 and 37 of the Specific Relief Act. MSRDC ("**Defendant No. 1**") after inviting offers by a public tender had via a lease deed dated June 12, 2007, allotted the Plaintiff land comprising plinth area admeasuring 360 sq. m., parking area admeasuring 3489 sq. m. and garden area admeasuring 300 sq. m., cumulatively admeasuring 5750 sq. m. forming a part of land along the Mumbai-Pune National Highway – 4, situated at village Valvan, Wadgaon, Pune, for 24 years from the date of execution of the agreement, pursuant to which the Plaintiff had paid a total lease premium of Rs. 1,64,78,786 (Rupees One Crore Sixty Four Lakh Seventy Eight Thousand Seven Hundred and Eighty Six only) and advance lease rent of Rs. 24,000 (Rupees Twenty Four Thousand) at the rate of Rs. 1,000 (Rupees One Thousand) per annum via Demand Draft no. 949085.

The Plaintiff had received a letter from the Defendants dated April 10, 2018 stating that as per National Green Tribunal's Order dated January 15, 2016, it's the lessee's i.e. Plaintiff's responsibility to maintain the suit premises and submit properly laid out plan for drainage, disposal of solid and wet waste material, maintenance of toilets and sewage treatment to the Defendants for approval and implementation and since the Plaintiff had not undertaken any attempt or submitted any plan, the cost of installation, operation and maintenance charges amounting to Rs. 94,66,800 (Rupees Ninety Four Lakh Sixty Six Thousand and Eight Hundred Only) would have to be borne by the Plaintiff. Further after Plaintiff's reply to the above letter and even after a meeting between the parties, the Defendant again demanded the above mentioned amount threatening the termination of the lease agreement pursuant to which the Plaintiff has filed the present suit for declaring the letter demanding charges amounting to Rs. 94,66,800 (Rupees Ninety Four Lakh Sixty Six Thousand and Eight Hundred Only) null and void. The Plaintiff also prays for restraining the Defendants and its employees from dispossessing the Plaintiff from the suit premises, granting temporary injunction and restraining the Defendant from implementing and/or giving effect to the impugned letter dated 15<sup>th</sup> November, 2016 bearing no. MSRDC/02/Land-Com/YCEW/PKH/2018/8069, threatening to terminate the contract. The Plaintiff also prays that the Defendant shall not be able to restrain the Plaintiff and its deputed and/or their patron and associates partners in any manner whatsoever in respect of the said suit premises and also restraining the Defendant from cutting the supply of electricity, water etc. in any manner whatsoever in respect of the said suit premises. The matter is currently pending.

23. ***Golden Chariot Hospitality Services Pvt. Ltd. vs. M/s Grauer & Weil (India) Ltd. – Suit No. 365 of 2019***

Golden Chariot Hospitality Services Pvt. Ltd. ("**Plaintiff**") has filed a suit against Grauer & Weil (India) Ltd. ("**Defendant**") in the Bombay City Civil Court at Dindoshi for Specific Relief to recover the possession of the shop situated at the shopping mall known Growel 101 situated off the western express highway, Kandivali (east) Mumbai, which is subject to a Agreement of Leave and License dated April 29, 2016 and is used for the business of restaurant/ fine dining by the Plaintiff. The Plaintiff along with its employees were forcefully evicted by the Defendant alleging non payment of dues by the Plaintiff amounting to Rs. 3,99,381 (Rupees Three Lakh Ninety Nine Thousand Three Hundred and Eighty One). The Plaintiff, in this suit, has prayed for the recovery of the possession of the premises, appoint appropriate court receiver to restrain the Defendant from encumbering parting or creating any third party rights or causing any damages to the furnitures, fixtures and fittings of the suit premises including the one in possession of the Defendant with respect to the suit premises and also grant an injunction order restraining the Defendant from disposing the Plaintiff from the suit property. The matter is currently pending.

24. ***Golden Chariot Hospitality Services Pvt. Ltd. vs. M/s Grauer & Weil (India) Ltd. – Suit No. 118 of 2019***

Golden Chariot Hospitality Services Pvt. Ltd. ("**Plaintiff**") has filed a suit against Grauer & Weil (India) Ltd. ("**Defendant**") in the Bombay Small Cases Court, Bandra for termination of the Agreement of Leave and License dated April 29, 2016 entered into by the parties for renting of shop which was used for the business of restaurant/ fine dining by the Plaintiff. The Plaintiff along with its staff along with their customers, it is alleged were forcefully evicted by the Defendant alleging non payment of dues by the Plaintiff amounting to Rs. 11,62,463 (Rupees Eleven Lakh Sixty Two Thousand Four Hundred and Sixty Three Only). The Plaintiff, in this suit, has alleged that the Defendant has taken steps to shut down operations of the business and

therefore prays before the Court to pass a decree for termination of the Leave and License Agreement. The matter is currently pending.

25. **PK Hospitality Services Private Limited vs Airport Authority of India Arbitration Application No. 20/2018**

P.K. Hospitality Services Private Limited ("**Applicant**") had filed an application in the High Court of Bombay seeking direction under section 11 of the Arbitration and conciliation Act, 1996 as amended from time to time for appointment of a fit and proper arbitrator. The Applicant is the licensee at the Goa Airport, Civil enclave, Goa for operation of restaurant and four snack bars inside the terminal building as per agreement dated May 11, 2006 and timely amendment thereafter. In the meeting held on 28.04.2016 in the Office of the Airport Authority of India ("**Respondent**"), the Competent Authority of the Respondent offered the Applicant to extend the contract as per the original contract with a corresponding increase in the existing license fee with additional area of 25% adjacent to the existing Restaurant in the Domestic SHA.

The Applicant upon considering the commercial terms and conditions of the offer, accepted the said offer and agreed to continue operations of the Restaurant and Snack Bar as per the original contract. However the Respondent was delaying to reduce the contract agreed upon between the Applicant and the Respondent into a formal contract thereby making it difficult for the Applicant to claim its rights under the agreed contract over the additional 25% of the area.

The Applicant had also filed an application for temporary injunction in the aforesaid Special Civil Suit No. 33/2016 seeking an order, *inter alia*, restraining the Respondent from issuing any tender process in respect of the additional area, which was the subject of the said Special Civil Suit No. 33/2016. The Honourable Civil Judge Senior Division Vasco-Da-Gama passed an *ex-parte* order on 16.12.2016 directing the Respondent not to begin any tender process in respect of the additional area as more particularly described in the plaint of Special Civil Suit No.33/2016. The matter is currently pending.

26. **PK Hospitality Services Private Limited vs. Airport Director of Goa Airport and Another- Regular Civil Suit No. 33 of 2016**

P.K. Hospitality Services Private Limited ("**Plaintiff**") filed a civil suit against the Airport Director of Goa Airport and Another ("**Defendants**") in the Court of Civil Judge Senior Division at Vasco da Gama under section 6 for the specific relief act along with injunction for the decree and direction to forthwith put the Plaintiff in peaceful, use, occupation and possession of the suit premises viz. (i) One snack counter outer arrival hall of NITB, (ii) Staff canteen near to old terminal building and (iii) Kitchen / old restaurant opposite to old terminal building and thus restore the status quo ante as prevailing vis – a vis the said suit premises.

The Plaintiff is a licensee at the Goa Airport for the purpose of operation of restaurant and four snack bars inside the terminal building in terms of the contract and timely amendment thereof since 19 years with the Defendants, being the lessor. The parties agreed to include an additional area of 25 % to the existing area @ 25 extra on the current license fee to be paid by Plaintiff w.e.f May 01, 2016 and the terms of the contract was according revised and agreed by the parties. However, the Defendants have failed to handover the excess area of 25 %. The Plaintiff has prayed to grant temporary/permanent injunction, thereby restraining the Defendants, its members and their agents, servants and representatives in the suit premises and to pass a direction to the Defendant to hand over the excess area of 25% according to the



agreed terms and conditions of the contract. Currently the matter is ongoing and pending for order on interim application.

27. ***PK Hospitality Services Private Limited vs. Airport Director of Goa Airport and Airport Authority of India- Regular Civil Suit No. 33 of 2017***

P.K. Hospitality Services Private Limited ("**Plaintiff**") had filed a civil suit against the Airport Director of Goa Airport and Airport Authority of India (collectively the "**Defendants**") in the Civil Court at Vasco da Gama. The matter of this suit pertaining to the termination and vacation letters dated February 28, 2017 and March 06, 2017 by the Defendants for not extending the temporary extension granted to the Plaintiff for restaurant at Domestic/ International SHA and 4 snack bars at different location beyond March 31, 2017. Therefore, the Plaintiff in this suit prayed to restrain the defendants or their agents, servants, representatives or any other persons acting on their behalf from giving any effect to or acting in terms of the said termination and vacation letters. The Plaintiff also prayed for declaring the said termination and vacation letters as null and void. The matter is currently pending.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on December 31, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on February 07, 2019 authorized the Issue.

Our Company has obtained In-principle approval from the SME Platform of BSE for using its name in the Draft Red Herring Prospectus pursuant to an approval letter dated [●]. Bombay Stock Exchange of India Limited is the Designated Stock Exchange.

### Prohibition by SEBI or other governmental authorities

Our Company, our Promoters, Promoter Group, Directors or person(s) in control of the Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or by any other securities market regulator in any other jurisdiction or Governmental Authority or any other authority or court as on the date of this Draft Red Herring Prospectus. The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("**SBO Rules**"), to the extent applicable, as on the date of this Draft Red Herring Prospectus. Further, in view of the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India ("**MCA**"), our Company, our Promoters and our Promoter Group will ensure compliance with the SBO Rules, upon notification of the relevant forms, as may be applicable to them.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoter or Directors have been identified as a wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

### Prohibition by RBI

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fugitive economic offender by the RBI or other governmental authority and no such proceedings are pending against any of them except as details provided in the chapter titled “Outstanding Litigations and Material Developments” on page 227 of this Draft Red Herring Prospectus.

### **Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with regulations 229(2), 229(3) and other provisions of chapter IX of the SEBI (ICDR) Regulations. We are an issuer whose post issue face value capital exceeds Rs. 1,000 Lakh and is up to Rs. 2,500 Lakh. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and shall not be restricted upto the minimum subscription level. The Book Running Lead Managers to the Issue shall underwrite at least 15% of the total Issue Size. For further details pertaining to said underwriting please refer to chapter titled “*General Information*” beginning on page 55 of the Draft Red Herring Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), failing which, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight working days, be liable to repay such application money, with an interest at the rate as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and other applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
3. We have filed a copy of the Draft Red Herring Prospectus with the Stock Exchange. Further, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, a copy of the Draft Red Herring Prospectus is also furnished to SEBI in soft copy. However, SEBI has not issued any observations on our Draft Red Herring Prospectus. Also, in terms of Regulations 246 of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Managers submits a copy of the Red Herring Prospectus / Prospectus along with a Due Diligence Certificate including additional confirmations, as required, to SEBI at the time of filing the Red Herring Prospectus / Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Managers and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares in this issue on the SME Platform of BSE. For further details of the arrangement of market making please refer to chapter titled “*General Information*” beginning on page 55 and

details of the Market Making Arrangements for this please refer to chapter titled “*The Issue*” beginning on page 49 of the Draft Red Herring Prospectus.

5. The Net worth (excluding revaluation reserves) of the Company is positive as per the latest audited financial results.
6. The post issue paid up capital of the Company shall not be more the Rs. 25.00 Crore. The post issue paid up capital of our Company is [•].
7. The Company has positive cash accruals (Earnings before depreciation and tax) from operations from at least 2 (two) financial years preceding the date of filing of this Draft Red Herring Prospectus.
8. The Company has a track record of last three (3) years, as on the date of filling of the Draft Red Herring Prospectus.
9. The Net Worth and Cash Accruals (Earnings before depreciation and tax) from operation of the Company as per the Restated Standalone Financial Statements for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 and for the six (6) months period ended September 30, 2018 are as set forth below: -

*(Rs. In Lakh)*

Particulars	For the period ended on	For the financial year ended on		
	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Net Worth*	2331.83	1797.37	844.47	667.43
Cash Accruals**	880.78	1466.51	309.57	225.46

\* “*Net Worth*” has been defined as the aggregate of the paid-up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any

\*\* “*Cash Accruals*” has been defined as the Earnings before depreciation and tax from operation.

10. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories.
11. The Company has not been referred to Board for Industrial and Financial Reconstruction.
12. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

14. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.
15. The Company has a website [www.artemiselectricals.com](http://www.artemiselectricals.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **Compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part B of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 70(2) of the SEBI (ICDR) Regulations, with respect to the Issue. Further, Our Company has not been formed by the conversion of the partnership firm into a company

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 01, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND / OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI IN TERMS OF SECTIONS 26, 32 AND 33 OF THE COMPANIES ACT, 2013.**

**Statement on Price Information of Past Issues handled by Fedex Securities Private Limited**

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Open ing price on listin g date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Shree Ganesh Remedies Limited	8.55	36	October 13, 2017	40.00	1.11% (1.85%)	24.31% (+6.17%)	27.78% (+4.46%)
2.	Lorenzini Apparels Ltd	4.47	10	February 15, 2018	10.20	-32.10% (-3.27%)	-38.50% (3.63%)	-54.50% (9.76%)
3.	Ganesh Films India Limited	8.42	80	July 31, 2018	80.00	4.19% (2.97%)	1.19% (-9.41%)	-27.25% (-5.18%)
4.	Add-Shop Promotions Limited	6.22	26	September 10, 2018	28.20	3.85% (-9.55%)	1.92% (-7.81%)	NA
5.	Sun Retail Limited	10.11	23	October 16, 2018	36.00	100.22% (-0.06%)	95.65% (1.97%)	NA

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com)

**Note:**

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2016-17			<b>Not Applicable</b>											
2017-18	*2	13.02		1				1	1				1	
2018-19	**3#	24.75				1		2		1				

\*The scripts of Shree Ganesh Remedies Limited and Lorenzini Apparels Limited were listed on October 13, 2017 and February 15, 2018 respectively.

\*\*The scripts of Ganesh Films India Limited, Add-Shop Promotions Limited and Sun Retail Limited were listed on July 31, 2018, September 10, 2018 and October 16, 2018 respectively.

#The scripts of Add-Shop Promotions Limited and Sun Retail Limited have not completed 180 Days and 180 Days respectively from the date of listing.

### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2500.00 (Twenty-Five Hundred) Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 (Twenty-Five Hundred) Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Draft Red Herring Prospectus as one of the stock exchanges on which this Issuer's securities are



proposed to be listed. The Exchange has scrutinized this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Filing**

A soft copy of the Draft Red Herring Prospectus is being submitted to SEBI. However, SEBI will not issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations. Further, a copy of the Red Herring Prospectus and Prospectus will be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, Plot No. C4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 26 and 32 of the Companies Act, 2013 will be delivered to the ROC, Mumbai. The Draft Red Herring Prospectus is also being filed with BSE.

### **Listing**

An application will be made to SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

BSE Limited has given its in-principle approval for using its name in our Draft Red Herring Prospectus / Red Herring Prospectus and Prospectus *vide* its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares on the SME Platform of BSE Limited are not granted by BSE Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date

### **Consents**

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor (b) Book Runner Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Draft Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

Our Peer Reviewed Auditor has given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Mittal Agarwal & Company, Chartered Accountants, Statutory Auditor and Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft red Herring Prospectus.

### **Experts Opinion**

Except for the reports in the section titled "*Financial Statement*", "*Statement of Possible Tax Benefits*" and "*Material Contracts and Documents for Inspection*" beginning on page 182, 90 and page 333 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor and Our Company, Practicing Company Secretary, our Company has not obtained any expert opinions.

### **Previous Public Issues or Rights Issues**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 66 of this Draft Red Herring Prospectus, we have not made any previous rights and / or public issues during the last 5 years, and are an "unlisted issuer" in terms of SEBI (ICDR) Regulations and this issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

### **Expenses of the Issue**

The expenses of this Issue include, among others, underwriting and management fees, printing and

distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 79 of this Draft Red Herring Prospectus.

### **Fees, Brokerage and Selling Commission payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager will be as per the (i) Issue Agreement dated [●], with the Book Running Lead Manager [●], (ii) the Underwriting Agreement dated [●] with Underwriter and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Red Herring Prospectus until the Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated [●] a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post/ under certificate of posting

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Except as disclosed in chapter titled "*Capital Structure*" beginning on page 66 in this Draft Red Herring Prospectus, our Company has not made any previous public or rights issue in India or Abroad the 5 (five) years are an "unlisted Issuer" in terms of SEBI (ICDR) regulations as on date of this Draft Red Herring Prospectus.

### **Capital Issue During The Last 3 Years**

Our Company and Group Companies / Entities have not made any capital issue or undertaken any public issue or rights issue in the last three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

### **Previous issues of Equity Shares otherwise than for cash**

For a detailed description, see chapter titled "*Capital Structure*" beginning on page 66 of this Draft Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under**

**the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Our Company has not undertaken any public or rights issue to the public in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate are unlisted and have not made a public issue of shares.

**Stock Market Data of the Equity Shares**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges Thus, there is no stock market data available for the equity shares of our company.

**Mechanism for Redressal of Investor Grievances**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

Further, as on the date of this Draft Red Herring Prospectus, our Company has no subsidiary company. Hence, disclosure regarding mechanism for redressal of investor grievance for listed subsidiaries are not applicable to us.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 15(fifteen) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Alheena Khan as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Ms. Alheena Khan**

**Artemis Electricals Limited**

Artemis Complex, Gala No. 105 & 108,  
National Express Highway,  
Vasai (East), Thane - 401208

**Tel:** +91-9200202514

**Email:** [contact@artemiselectricals.com](mailto:contact@artemiselectricals.com)

For further details, see chapter titled “*Our Management*” beginning on page 160 of this Draft Red Herring Prospectus.

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.**

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, BSE SME, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the GoI, BSE SME, the RoC and any other authorities while granting their approval for the Issue.*

*Please note that, in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants applying in a public issue shall use only ASBA facility for making the payment. Further vide the said circular, Designated Intermediaries have also been authorised to collect the Application Forms. Investors may visit the official website of the stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

The Equity Shares being issued shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association, and shall rank pari passu in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, refer section titled “Main Provisions of Articles of Association” beginning on page 308 of this Draft Red Herring Prospectus.

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the Dividend policy of our Company, provisions of the Companies Act, the Memorandum of Association and Articles of Association and the SEBI Listing Regulations. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. For further details, please refer chapter titled “Dividend Policy” on page 181 and section titled “Main provisions of the Articles of Association” on page 308 respectively, of this Draft Red Herring Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10. The Issue Price at Lower end of Price Band is Rs. [●] per Equity Share and at the Higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the regional newspaper [●], each with wide circulation, at least two (2) Working Days prior to the Bid/ Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid-cum-Application Forms available at the websites of the Stock Exchange. At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

### **Compliance with the SEBI (ICDR) Regulations and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders of our Company shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting powers, unless prohibited by law;
- the right to vote on a poll either in person or by proxy;
- the right to received annual reports & notices to member
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- the right of free transferability of equity shares, subject to applicable law, including RBI rules and regulations, if any; and such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer section titled “*Main Provisions of Articles of Association*” beginning on page 308 of this Draft Red Herring Prospectus.

### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “*Main Provisions of the Articles of Association*” beginning on page 308 of this Draft Red Herring Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations 2018, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Prospectus:

- Tripartite agreement dated November 18, 2015 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated December 07, 2015 among NSDL, our Company and the Registrar to the Issue

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form and in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares to the successful Applicants in terms of SEBI circular no.

CIR/MRD/DSA/06/2012 dated February 21, 2012. For details of allocation and allotment, please refer chapter titled “*Issue Procedure*” beginning on page 276 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **Joint holders**

Subject to our Articles, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold the same as joint-tenants, with benefits of survivorship.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities at Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

#### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, the sole or the first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Company’s Registered Office or to the Registrar to the Issue.



Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Bid Opening Date**

Event	Indicative Date
Bid Opening Date	[●]
Bid Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds, (if any, for Anchor Investor) / Unblocking of funds from ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the BRLM to the Stock Exchange. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (*excluding any public holiday*).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under

the Issue. Bids will be accepted only on Business Days. Neither our Company nor the BRLM is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid-cum- Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

#### **Minimum Subscription**

**The requirement for 90% minimum subscription in terms of the SEBI (ICDR) Regulations is not applicable to the Issue. In terms of Regulation 260 of the SEBI (ICDR) Regulations, the Issue is not restricted to any minimum subscription level. The Issue is 100% underwritten.**

If our Company does not receive the subscription of 100% of the Issue through the Prospectus including devolvement of Underwriters within sixty (60) days from the date of Issue Closing Date, our Company shall forthwith refund/unblock the entire subscription amount received, as the case maybe. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act and applicable law.

Further, in accordance with Regulation 268 of SEBI ICDR Regulations, the minimum number of Allottees in this Issue shall be fifty (50). In case the minimum number of prospective Allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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

#### **Arrangement for disposal of odd lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on BSE SME.

#### **Restriction on Transfer and transmission of shares or debentures and on their consolidation or splitting of Equity Shares**

Except for, lock-in of pre-Issue equity shareholding, Promoters' minimum contribution and for a period of thirty (30) days from the date of Allotment, as detailed in the chapter "*Capital Structure*" beginning on page 66 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/splitting except as provided in the Articles of Association. Please

refer section titled “Main Provisions of Articles of Association” beginning on page 308 of this Draft Red Herring Prospectus.

**The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager s do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**

### **New Financial Instruments**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Allotment only in Dematerialized form**

In accordance with SEBI ICDR Regulations 2018 and Section 29 of the Companies Act, Equity Shares will be issued and Allotted only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date, providing reasons for not proceeding with the Issue and the BSE SME shall be informed promptly in this regard. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) Working Day from the date of receipt of such notification.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determine that we will proceed with an initial public offering of the Company’s Equity Shares, the Company shall file a fresh Draft Red Herring Prospectus with BSE SME. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the BSE SME, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Migration to Main Board**

In accordance with the BSE SME circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the BSE SME for a minimum period of two (2) years from the date of listing and only after that it can migrate to the main board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of SEBI ICDR Regulations 2018.

- As per the provisions of the Chapter IX of SEBI ICDR Regulations, our Company may migrate to the main board of BSE from the BSE SME on a later date, If the Paid up Capital of our Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times

the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to c 25.00 Crore, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any Company desiring to migrate to the Main board from the SME Board within 2 Years of Listing on SME platform of BSE has to fulfil following conditions:

- a. The Increase in post issue face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.
- b. The company should have a minimum turnover of ₹ 100 crore as per latest audited financials and market capitalization of ₹ 100 crore.
- c. The Company should have a minimum profit before tax of ₹ 10 crore for two years out of 3 preceding years.
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.

### **Market Making**

The Equity Shares issued through this Issue are proposed to be listed on BSE SME, wherein [●] is the Market Maker to this Issue and shall ensure compulsory Market Making for a minimum period of three (3) years from the date of listing on BSE SME. For further details of the agreement entered into between our Company, the BRLM and the Market Maker, please refer chapter titled “*General Information*” beginning on page 55 of this Draft Red Herring Prospectus.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the SEBI circular no. CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the "General Information Document"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of BSE, the Company and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Book Running Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

Pursuant to the SEBI ICDR Regulations 2018, the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in> . For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above-mentioned BSE website.

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the*

*applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

### **Book Building Issue Procedure**

Pursuant to Regulation 253(2) of Chapter IX of the SEBI ICDR Regulations, this Issue is being made through the Book Building Issue Process wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the BSE SME.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the BSE SME

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. **The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected.** In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the BSE SME. Applicants will not have the option of being allotted Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the Allotment.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the circular, Unified Payments Interface will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries. Phase I of this mechanism is applicable from January 1, 2019.

## Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE (<https://www.bsesme.com/>), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected

The prescribed colour of the Application Form for the various categories is as follows:

Category	Colour of Application Form*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding electronic Application Form*

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries").

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
4.	A depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Bid cum Application Forms to SCSBs only.

### Availability of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and Application Forms

The bid cum Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to

the Issue, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. <https://www.bsesme.com/>

**Who can apply:**

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Bids not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Overseas Corporate Bodies.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore**



transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

#### **Maximum and Minimum Application Size**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Bidders and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **Participation by associates/ affiliates of Book Running Lead Manager**

The BRLM shall not be allowed to subscribe to the Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM may subscribe to or purchase the Equity Shares in the Issue, including in the QIB Portion or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Option to Subscribe in the Issue**

a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.

b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Bids by eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“**NRE**”) accounts, or Foreign Currency Non-Resident (“**FCNR**”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“**PIS**”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

#### **Bids by HUFs**

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

#### **Bids by FPIs including FIIs**

In terms of SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three (3) years for which fees have been paid as per SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under SEBI FPI Regulations. However, existing FIIs and their sub accounts may continue to buy, sell or deal in securities till the expiry of their existing SEBI registration. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under SEBI FPI Regulations shall not be eligible to participate in this Issue.

In terms of SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the

shareholders of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limit an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Gol from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the Issue.

The Registrar shall use Permanent Account Number (PAN) issued by Income Tax Department of India for checking compliance for a single foreign portfolio investor; and obtain validation from Depositories for the FPIs to ensure there is no breach of investment limit.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, pursuant to a circular dated November 24, 2014 issued by SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility conditions set forth in Regulation 4 of SEBI FPI Regulations; and (ii) do not have “opaque structures”, as defined under SEBI FPI Regulations.

In case of Applications made by FPIs, a verified true copy of the certificate of registration issued under SEBI FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.

- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Book Running Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

#### **Bids by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

#### **Bids by Mutual Funds**

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **ASBA Process**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful Applicants to the ASBA Public Issue Account. In case

of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Book Running Lead Manager.

Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the Applicant shall submit the ASBA Application Format the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **Method and Process of Bids**

1. The Designated Intermediaries shall accept applications from the Bids during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 (ten) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 (ten) Working Days.
3. During the Issue Period, Bidders who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Bidder cannot apply on another Application Form after bids on one Bid Cum Application Form have been submitted to the Designated Intermediaries. Submission of a second Bid cum Application form to either the same or to another Designated Intermediaries will be treated as multiple bids and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the bid cum application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All bids shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. Upon receipt of the bid cum Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the bid Amount are available in the ASBA Account, as mentioned in the bid cum Application Form, prior to uploading such bids with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such bids and shall not upload such bids with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the bid Amount mentioned in the Bid cum Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful bidders to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Bids at Different Price Levels and Revision of Bids**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders Can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders May Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non- Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

### **Information for the Bidders**

- a) Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid / Issue Opening Date.
- b) Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations 2018, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the ICDR Regulations 2018.
- c) Our Company shall announce the Price Band at least two Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d) This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges.
- e) The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchange, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- f) The Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Form, to the Designated Stock Exchange, Bankers to the Issue, investors' associations and SCSBs in advance.



**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected**

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the BSE, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Terms of payment**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the bidders.

#### **Payment Mechanism for Bidders**

The Bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

***Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.***

#### **Electronic Registration of Applications**

- 1) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue
- 2) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges
- 3) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing

### **Build-up of the Book**

- a) Bids received from various Bidders through Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Offer Period. QIBs and Non-Institutional Bidders can neither withdraw or lower the size of Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage and Retail Individual Bidders can withdraw or revise their bids till Bid/Offer Closing Date.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage

### **Revision of Bids**

- a) During the Bid/ Offer Period, any Bidder (other than QIBs and Non-Institutional Bidders, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) Retail Individual Bidders may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof

### **Allocation of Equity shares**

1. The Issue is being made through the Book Building Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Bidders, subject to valid bids being received from Retail Individual Bidders at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Bidders.
2. Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of SEBI Regulations, Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Draft Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by SEBI ICDR Regulations, an English daily newspaper, a Hindi daily newspaper and, a regional newspaper, where our Registered Office is situated each with wide circulation. In the pre-Issue advertisement, we shall state Issue Opening Date, Issue Closing Date and the QIB Issue Closing Date.

#### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **Issuance of Allotment Advice**

- a) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b) The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their bidders who have been allocated Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

#### **Issuance of Confirmation Allocation Note (“CAN”)**

- a) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the BRLM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **Designated Date and Allotment of Equity Shares**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the National Company Law Tribunal under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the SCSB's to Public Issue Account on the Designated Date, the Company would ensure the credit to the

successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within one working day of the date of approval of Basis of Allotment by Designated Stock Exchange. Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated/ allotted to them pursuant to this issue.

#### **Payment of Refund**

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Red Herring Prospectus, the Book Running Lead Manager shall intimate Public Issue Bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from Book Running Lead Manager and the Registrar for further payment to the beneficiary applicants.

#### **Signing of Underwriting Agreement and Filing of Draft Red Herring Prospectus with ROC**

- a) Our company and BRLM has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus and Prospectus will be filled with the RoC in terms of Section 32 of Companies Act, 2013.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated December 07, 2015 between NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated November 18, 2015 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE757T01017

#### **General Instructions**

Applicants are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
7. All Applicants (other than Anchor Investors) should apply through the ASBA process only;

8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the online IPO system of the BSE SME by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;
21. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online system of BSE SME by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the

beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

22. In relation to the ASBA Applications, ensure that you use the ASBA Form bearing the stamp of the relevant Designated Intermediary (in the Specified Locations) (except in case of electronic forms);
23. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
24. Ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Collection Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one (1) branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). Ensure that you have mentioned the correct ASBA Account number in the Application Form;
25. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgement;
26. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
27. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
28. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;

10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account;
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other Instructions**

##### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these

are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.

ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Bidders other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.



**Our Company/ Registrar to the Issue Book Running Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

### **Grounds for Technical Rejections**

Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

- Bids/Applications by OCBs;
- In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Bid cum Application Form/ Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price; Bids accompanied by stock invest/money order/postal order/cash;
- Bids/Applications at Cut-off Price by NIBs and QIBs;
- The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- Bids not uploaded in the Stock Exchanges bidding system.
- Inadequate funds in the bank account to block the Bid/ Application Amount specified in the ASBA Form/
- Application Form at the time of blocking such Bid/ Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;

- Bids/Applications by Bidders not submitted through ASBA process;
- Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;
- Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA, as the case maybe.

### **Disposal of Applications**

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Bidders and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Bid/Offer Closing Date.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

### **Mode of Refunds**

- a) **In case of ASBA Bids:** Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Bidding, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer

- b) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Investors: Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay

***Mode of making refunds for Bidders other than ASBA Bidders***

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Bidders having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Bidders having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Bidders having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and

- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to DRHP.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

#### **Undertakings by our Company**

We undertake as follows:

1. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. BSE on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with BSE SME / RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
4. That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
5. All steps for completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are to be listed are taken within the period prescribed by SEBI;
6. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period;
7. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within the specified period of the Issue Closing Date by giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
8. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
9. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

10. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from BSE SME where listing is sought has been received;
11. That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc, other than as disclosed in accordance with Regulation 19 of SEBI ICDR Regulations;
12. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
13. That it shall comply with such disclosure and account norms specified by SEBI from time to time.

#### **Utilization of Net Proceeds of the Issue**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in the Companies Act;
2. details of all monies utilised out of the Issue referred in sub-item 1, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised monies out of the Issue referred in sub-item 1, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
4. Our Company shall comply with the requirements of SEBI LODR Regulations 2018 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI ICDR Regulations, whereby, an issuer's post issue face value capital exceeds ten crore rupees but does not exceed twenty-five crores. The Company shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being BSE SME). For further details regarding the salient features and terms of this Issue, please refer chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 269 and 276 respectively, of this Draft Red Herring Prospectus.

### Present Issue Structure

The present Issue of up-to 70,00,000 Equity Shares for cash at a price of ₹ [●] (including a premium of ₹ [●] aggregating up-to ₹ [●] Lakhs by our Company. The Issue comprises a net issue to the public of up-to [●] Equity shares (the "Net Issue"). The Issue will constitute [●] % of the post- Issue paid-up Equity Share capital of our Company and the Net Issue will constitute [●] % of the post- Issue paid-up Equity Share capital of our Company.

The Issue comprises a reservation of up to [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker (the "Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
<b>Number of Equity Shares available of allocation</b>	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] % of the Issue size	[●] % of Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each.  For further details please refer "Basis of Allotment" under chapter titled " <i>Issue Procedure</i> " beginning on page 276 of this Draft Red Herring Prospectus.	Firm allotment
<b>Mode of Application</b>	Through ASBA process only	Through ASBA process only
<b>Minimum Application Size</b>	<b>For QIB and NII</b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds ₹ 2,00,000  <b>For Retail Individual Applicants</b> Such number of Equity shares where the application size is of	[●] Equity Shares

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
	at least ₹ 1,00,000.	
<b>Maximum Application Size</b>	<p><b>For QIB and NII:</b> Such number of Equity Shares in multiples of [●] Equity Shares such that the application size does not exceed the Issue size.</p> <p><b>For Retail Individuals:</b> Such number of Equity Shares and in multiples of [●] Equity Shares such that the application value does not exceed ₹2,00,000.</p>	[●] Equity Shares of face value of ₹ 10 each
<b>Mode of Allotment</b>	Dematerialized mode	Dematerialized mode
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, however, the Market Maker may accept odd lots if any, in the market as permitted under SEBI ICDR Regulations.
<b>Terms of payment</b>	The entire application amount will be payable at the time of submission of the Application Form.	
<b>Application</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	

**Note:**

1. In case of joint applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the "Circular") standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000

Issue Price (in ₹)	Lot Size (No. of shares)
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

#### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE SME for listing and trading of the Equity Shares issued through this Issue, which the Company shall apply for after Allotment;
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC.
- (iii) In case, our Company wishes to withdraw the Issue after the Issue Opening Date but before Allotment, our Company will give public notice giving reasons for withdrawal of the Issue. The public notice will appear in all editions of [●], an English daily newspaper, all editions of [●], a Hindi daily newspaper and [●], a Regional newspaper, where our Registered Office is situated each with wide circulation.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts / refund the amount, as the case maybe, within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and BSE SME will also be informed promptly about the same. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public issue of equity shares, our Company will file a fresh Issue Draft Red Herring Prospectus with BSE SME where the equity shares may be proposed to be listed.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period at the Collection Centres mentioned in the Application Form. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Retail and non-Retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.



Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("**FEMA**"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Reserve Bank of India ("**RBI**") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**").

The Government of India has from time to time made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details please see the chapter titled "*Key Industry Regulations*" beginning on page 134 of this Draft Red Herring Prospectus.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment limit is allowed up to 100% under automatic route in our Company, subject to appropriate approvals of the shareholders in general meeting. Eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% and such transaction must be conducted on a recognized stock exchange, in accordance with applicable conditions. Further, SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10% subject to the total sectoral cap of all FPIs/sub accounts put together being 24% of the paid-up capital of the Indian Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the Shareholders of the Indian company concerned. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing of a special resolution to that effect by its Shareholders.

The Indian Company making fresh issue of shares to a person resident outside India would be subject to reporting requirements inter-alia with respect to consideration for issue of shares and also subject to

making certain filings including filing of FC-GPR.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Investment conditions/restrictions for overseas entities Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the composite cap. Portfolio Investment to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap. Subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under the automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

**1. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**2. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA

(Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is: The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

**3. Investment by NRI or OCI on non-repatriation basis:**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares or debentures and / or on their consolidation / splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our articles and capitalized / defined terms herein have the same meaning given to them in our Articles.

Sr. No.	Particulars	
1.	(1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	<b>Table 'F' not to apply</b>
	(2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	<b>Company to be governed by these Articles</b>
<b>INTERPRETATION</b>		
2.	(1) In these Articles- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.	<b>Act</b>
	(b) "Articles" means these articles of association of the Company or as altered from time to time.	<b>Articles</b>
	(c) "Board of Directors" or "Board", means collective body of the directors of the Company.	<b>Board of Directors or Board</b>
	(d) "Company" means Artemis Electricals Limited.	<b>Company</b>
	(e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	<b>Rules</b>
	(f) "Seal" means the common seal of the Company.	<b>Seal</b>
	(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	<b>Number and Gender</b>
	(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case maybe.	<b>Expressions in the Articles to bear the same meaning as in the Act</b>
<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>		
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms	<b>Shares under control of Board</b>

Sr. No.	Particulars	
	and conditions and either at a premium or at par and at such time as they may from time to time think fit.	
4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or	<b>Directors may allot Shares otherwise than for cash</b>
	assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case maybe	
5.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: Equity share capital: with voting rights; and /or with differential rights as to dividend, voting or otherwise in accordance with the Rules; and Preference share capital	<b>Kinds of Share Capital</b>
6.	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide- One certificate for all his shares without payment of any charges; or Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.	<b>Issue of certificate</b>
	(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.	<b>Certificate to bear seal</b>
	(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	<b>One certificate for shares held jointly</b>
7.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	<b>Option to receive share certificate or hold shares with depository</b>

Sr. No.	Particulars	
8.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	<b>Issue of new certificate in place of one defaced, lost or destroyed</b>
9.	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	<b>Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.</b>
10.	(1) the company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	<b>Power to pay commission in connection with securities issued</b>
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	<b>Rate of commission in accordance with Rules</b>
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	<b>Mode of payment of commission</b>
11.	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	<b>Variation of members' rights</b>
	(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	<b>Provisions as to general meetings to apply mutatis mutandis to each meeting</b>
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu there with.	<b>Issue of further shares not to affect rights of existing members</b>
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity	<b>Power to issue redeemable preference shares</b>

Sr. No.	Particulars	
	shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	
14.	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; or employees under any scheme of employees' stock option; or any persons, whether or not those persons include the persons referred to in clause(A) or clause(B) above.	<b>Further issue of share capital</b>
	(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.	<b>Mode of further issue of shares</b>
<b>LIEN</b>		
15.	(1) The Company shall have a first and paramount lien - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing	<b>Company's lien on shares</b>
	registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.	
	(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.	<b>Lien to extend to dividends, etc.</b>
	(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.	<b>Waiver of lien in case of registration</b>
16.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— unless a sum in respect of which the lien exists is presently payable; or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled there to by reason of his death or insolvency or otherwise.	<b>As to enforcing lien by sale</b>
17.	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.	<b>Validity of sale</b>



Sr. No.	Particulars	
	(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.	<b>Purchaser to be registered holder</b>
	(3) The receipt of the Company for the consideration (if any) given for the share on the sale there of shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	<b>Validity of Company's receipt</b>
	(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	<b>Purchaser not affected</b>
<b>18.</b>	(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	<b>Application of proceeds of sale</b>
	(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	<b>Payment of residual money</b>
<b>19.</b>	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	<b>Outsider's lien not to affect Company's lien</b>
<b>20.</b>	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	<b>Provisions as to lien to apply mutatis mutandis to debentures, etc.</b>
<b>CALLS ON SHARES</b>		
<b>21.</b>	(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	<b>Board may make calls</b>
	(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	<b>Notice of call</b>
	(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	<b>Board may extend time for payment</b>

Sr. No.	Particulars	
	(4) A call may be revoked or postponed at the discretion of the Board.	<b>Revocation or postponement of call</b>
22.	A call shall be deemed to have been made at the time when there solution of the Board authorizing the call was passed and may be required to be paid by installments.	<b>Call to take effect from date of resolution</b>
23.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	<b>Liability of joint holders of shares</b>
24.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.	<b>When interest on call or installment payable Board may waive interest</b>
25.	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	
	(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	<b>Effect of non-payment of sums</b>
26.	The Board - may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate In profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.	<b>Payment in anticipation of calls may carry interest</b>
27.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered	<b>Installments on shares to be duly paid</b>
	holder of the share or the legal representative of a deceased registered holder.	

Sr. No.	Particulars	
28.	All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	<b>Calls on shares of same class to be on uniform basis</b>
29.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	<b>Partial payment not to preclude forfeiture</b>
30.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.	<b>Provisions as to calls to apply mutatis mutandis to debentures, etc.</b>
<b>TRANSFER OF SHARES</b>		
31.	The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	<b>Instrument of transfer to be executed by transfer and transferee</b>
32.	The Board may, subject to the right of appeal conferred by the Act decline to register– (a)the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b)any transfer of shares on which the Company has a lien.	<b>Board may refuse to register transfer</b>
33.	In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless– (a)the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act: (b)the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transfer or to make the transfer; and (c)the instrument of transfer is in respect of only one class of shares.	<b>Board may decline to recognize instrument of transfer</b>
34.	On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.	<b>Transfer of shares when suspended</b>

Sr. No.	Particulars	
35.	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	<b>Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.</b>
<b>TRANSMISSION OF SHARES</b>		
36.	(1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole	<b>Title to shares on death of a member</b>
	holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.	
	2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	<b>Estate of deceased member liable</b>
37.	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either- to be registered himself as holder of the share; or to make such transfer of the share as the deceased or insolvent member could have made.	<b>Transmission Clause</b>
	(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	<b>Board's right unaffected</b>
	(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	<b>Indemnity to the Company</b>
38.	(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.	<b>Right to election of holder of share</b>
	(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	<b>Manner of testifying election</b>
	(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	<b>Limitations applicable to notice</b>
39.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled	<b>Claimant to be entitled to same advantage</b>

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	<p>in respect of it to exercise any right conferred by membership in relation to meetings of the Company:            Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
40.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.	<b>Provisions as to transmission to apply mutatis mutandis to debentures, etc.</b>
<b>FORFEITURE OF SHARES</b>		
41.	If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	<b>If call or installment not paid notice must be given</b>
42.	The notice a fore said shall: (a)name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b)state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	<b>Form of notice</b>
43.	If the requirements of any such notice as a fore said are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	<b>In default of payment of shares to be forfeited</b>
44.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	<b>Receipt of part amount or grant of indulgence not to affect forfeiture</b>

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45.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forth with be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	<b>Entry of forfeiture in register of members</b>
46.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	<b>Effect of forfeiture</b>
47.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	<b>Forfeited shares may be sold, etc</b>
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	<b>Cancellation of forfeiture</b>
48.	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	<b>Members still liable to pay money owing at the time of forfeiture</b>
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	<b>Member still liable to pay money owing at time of forfeiture and interest</b>
	(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	<b>Cesser of liability</b>
49.	(1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	<b>Certificate of forfeiture</b>
	(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;	<b>Title of purchaser and transferee of forfeited shares</b>
	(3) The transferee shall thereupon be registered as the holder of the share; and	<b>Transferee to be registered as holder</b>

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	(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re- allotment or disposal of the share.	<b>Transferee not affected</b>
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	<b>Validity of sales</b>
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares</b>
52.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	<b>Surrender of share certificates</b>
53.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	<b>Sums deemed to be calls</b>
54.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	<b>Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.</b>
<b>ALTERATION OF CAPITAL</b>		
55.	Subject to the provisions of the Act, the Company may, by ordinary resolution– (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;	<b>Power to alter share capital</b>



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	(c)convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d)sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e)cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
56.	Where shares are converted into stock: (a)the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;	<b>Shares may be converted into stock</b>
	(b)the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;	<b>Right of stockholders</b>
	(c)such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.	
57.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules,- (a)its share capital; and /or (b)any capital redemption reserve account; and/or	<b>Reduction of capital</b>
	(c)any securities premium account; and/or (d)any other reserve in the nature of share capital.	
<b>JOINT HOLDERS</b>		
58.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	<b>Joint-holders</b>
	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.	<b>Liability of Joint- holders</b>



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	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	<b>Death of one or more joint-holders</b>
	(c) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	<b>Receipt of one sufficient</b>
	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint- holders.	<b>Delivery of certificate and giving of notice to first named holder</b>
	(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled there to and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.	<b>Vote of joint- holders</b>
	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint- holders.	<b>Executors or administrators as joint holders</b>
	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	<b>Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.</b>
<b>CAPITALISATION OF PROFITS</b>		
59.	(1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — (a)that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b)that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	<b>Capitalization</b>

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	<p>(2) The sum a fore said shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:</p> <p>(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).</p>	<b>Sum how applied</b>
	<p>(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p>	
	<p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</p>	
<b>60</b>	<p>Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>generally do all acts and things required to give effect thereto.</p>	<b>Powers Board for capitalization</b>
	<p>(2) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and</p>	<b>Board's power to issue fractional certificate/coupon etc.</b>
	<p>(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.</p>	
	<p>(3) Any agreement made under such authority shall be effective and binding on such members.</p>	<b>Agreement binding on members</b>
<b>BUY-BACK OF SHARES</b>		
<b>61.</b>	<p>Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.</p>	<b>Buy-back of shares</b>

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<b>GENERAL MEETINGS</b>		
62.	All general meetings other than annual general meeting shall be called extraordinary general meeting.	<b>Extraordinary general meeting</b>
63.	The Board may, whenever it thinks fit, call an extraordinary general meeting.	<b>Powers of Board to call extraordinary general meeting</b>
<b>PROCEEDINGS AT GENERAL MEETINGS</b>		
64.	(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	<b>Presence of Quorum</b>
	(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	<b>Business confined to election of Chairperson whilst chair vacant</b>
	(3) The quorum for a general meeting shall be as provided in the Act.	<b>Quorum for general meeting</b>
65.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	<b>Chairperson of the meetings</b>
66.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	<b>Directors to elect a Chairperson</b>
67.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting	<b>Members to elect a Chairperson</b>
68.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	<b>Casting vote of Chairperson at general meeting</b>
69.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	<b>Minutes of proceedings of meetings and resolutions passed by postal ballot</b>
	(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting- (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	<b>Certain matters not to be included in Minutes</b>

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	(3)The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	<b>Discretion of Chairperson in relation to Minutes</b>
	(4)The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	<b>Minutes to be evidence</b>
70.	(1) The books containing the minutes of the proceedings of any general meeting of the Company or are solution passed by postal ballot shall: be kept at the registered office of the Company; and be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.	<b>Inspection of minute books of general meeting</b>
	(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made are quest in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	<b>Members may obtain copy of minutes</b>
71.	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	<b>Powers to arrange security at meetings</b>
<b>ADJOURNMENT OF MEETING</b>		
72.	(1) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place.	<b>Chairperson may adjourn the meeting</b>
	(2)No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	<b>Business at adjourned meeting</b>
	(3)When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	<b>Noticeof adjourned meeting</b>
	(4)Save as a foresaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Notice of adjourned meeting not required</b>
<b>VOTING RIGHTS</b>		
73.	Subject to any rights or restrictions for the time being attached to any class or classes of shares -	<b>Entitlement to vote on show of hands and on poll</b>

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	<p>on a show of hands, every member present in person shall have one vote; and</p> <p>on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>	
74.	(1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	<b>Vote of joint- holders</b>
	(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Seniority of names</b>
75.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	<b>How members non compos mentis and minor may vote</b>
76.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members, etc.</b>
77.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	<b>Business may proceed pending poll</b>
78.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	<b>Restriction on voting rights</b>
79.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	<b>Restriction on exercise of voting rights in other cases to be void</b>
80.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	<b>Equal rights of members</b>
	PROXY	
81.	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	<b>Member may vote in person or otherwise</b>

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	(2) The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.	<b>Proxies when to be deposited</b>
82.	An instrument appointing a proxy shall be in the form as prescribed in the Rules.	<b>Form of proxy</b>
83.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or death of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	<b>Proxy to be valid notwithstanding of the principal</b>
<b>BOARD OF DIRECTORS</b>		
84.	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).	<b>Board of Directors</b>
85.	(1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	<b>Directors not liable to retire by rotation</b>
	(2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	<b>Same individual maybe Chairperson and Managing Director /Chief Executive Officer</b>
86.	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	<b>Remuneration of directors</b>
	(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	<b>Remuneration to require members' consent</b>
	(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— in attending and returning from meetings of the Board of Directors or any committee there of or general meetings of the Company; or in connection with the business of the Company.	<b>Travelling and other expenses</b>
87.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid	<b>Execution of negotiable instruments</b>

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	to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.	
88.	(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	<b>Appointment of additional directors</b>
	(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	<b>Duration of office of additional director</b>
89.	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	<b>Appointment of alternate director</b>
	(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	<b>Duration of office of alternate director</b>
	(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	<b>Re-appointment provisions applicable to Original Director</b>
90.	(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. (2) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.	<b>Appointment of director to fill a casual vacancy</b> <b>Duration of office of Director appointed to fill casual vacancy</b>
<b>POWERS OF BOARD</b>		
91.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made	<b>General powers of the Company vested in Board</b>



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	by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	
<b>PROCEEDINGS OF THE BOARD</b>		
92.	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	<b>When meeting to be convened</b>
	(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	<b>Who may summon Board meeting</b>
	(3) The quorum for a Board meeting shall be as provided in the Act.	<b>Quorum for Board meetings</b>
	(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	<b>Participation at Board meetings</b>
93.	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	<b>Questions at Board meeting how decided</b>
	(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	<b>Casting vote of Board Chairperson at meeting</b>
94.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	<b>Directors not to act when number falls below minimum</b>
95.	(1) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	<b>Who to preside at the meetings of the Board</b>
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.	<b>Directors electa to Chairperson</b>
96.	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	<b>Delegation of powers</b>
	(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	<b>Committee to conform to Board Regulations</b>



Sr. No.	Particulars	
	(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	<b>Participation at Committee meetings</b>
97.	(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	<b>Chairperson of Committee</b>
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Who to preside at meetings of Committee</b>
98.	(1) A Committee may meet and adjourn as it thinks fit. (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	<b>Committee to meet Questions at Committee meeting how decided</b>
	(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	<b>Casting vote of Chairperson at Committee meeting</b>
99.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	<b>Acts of Board or Committee valid notwithstanding defect of appointment</b>
100.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	<b>Passing of resolution by circulation</b>
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEFFINANCIAL OFFICER</b>		
101.	(a) Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.	<b>Chief Executive Officer, etc.</b>
	(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	<b>Director may be chief executive officer, etc.</b>

Sr. No.	Particulars	
<b>REGISTERS</b>		
102.	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	<b>Statutory registers</b>
103.	(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register, if any; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	<b>Foreign register</b>
	(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.	
<b>THE SEAL</b>		
104.	The Board shall provide for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	<b>The seal, its custody and use Affixation of seal</b>
<b>DIVIDENDS AND RESERVE</b>		
105.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	<b>Company in general meeting may declare dividends</b>
106.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	<b>Interim dividends</b>
107.	(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board,	<b>Dividends only to be paid out of profits</b>

Sr. No.	Particulars	
	be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.	
	(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	<b>Carry forward of profits</b>
108.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	<b>Division of profits</b>
	(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	<b>Payments in advance</b>
	(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	<b>Dividends to be apportioned</b>
109.	(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	<b>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from</b>
	(2)The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	<b>Retention of dividends</b>
110.	(1)Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	<b>Dividend how remitted</b>
	(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	<b>Instrument of payment</b>

Sr. No.	Particulars	
	(3) Payment in any way what so ever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	<b>Discharge to Company</b>
111.	Anyone of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	<b>Receipt of one holder sufficient</b>
112.	No dividend shall bear interest against the Company.	<b>No interest on dividends</b>
113.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member(or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company	<b>Waiver of dividends</b>
	and if or to the extent that the same is accepted as such or acted upon by the Board.	
<b>ACCOUNTS</b>		
114.	(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	<b>Inspection by Directors</b>
	(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board.	<b>Restriction on inspection by members</b>
<b>WINDING UP</b>		
115.	Subject to the applicable provisions of the Act and the Rules made there under - If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	<b>Winding up of Company</b>
<b>INDEMNITY AND INSURANCE</b>		

Sr. No.	Particulars	
116.	<p>(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favorer in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p>	<b>Directors and officers right to indemnity</b>
	<p>(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>	<b>Insurance</b>
<b>GENERAL POWER</b>		
117.	<p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p>	<b>General power</b>

## SECTION X- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A) Material contracts for the Issue

1. Issue Agreement dated [●] between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated [●] between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●] amongst our Company, the Underwriter and the Book Running Lead Manager.
4. Market Making Agreement dated [●] amongst our Company, Market Maker and the Book Running Lead Manager.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the Book Running Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated November 18, 2015 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
7. Tripartite agreement dated December 7, 2015 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

#### B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated December 31, 2018 in relation to the Issue and other related matters.
3. Shareholders' resolution dated February 07, 2019 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Book Running Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in this Draft Red Herring Prospectus and to act in their respective capacities.

5. Peer Review Auditors Report dated February 25, 2019 on Restated Financial Statements of our Company for the period ended September 30, 2018 and for the years ended March 31, 2018, 2017 and 2016
6. The Report dated February 25, 2019 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
7. Copy of approval from BSE SME vide letter dated [●] to use the name of BSE Limited in this offer document for listing of Equity Shares on SME Platform of BSE Limited.
8. Due diligence certificate submitted to BSE SME dated March 01, 2019 from Book Running Lead Manager to the Issue.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<b>Pravin Agarwal</b> <i>(Promoter, Chairman and Executive Director)</i>	<b>Sd/-</b>
<b>Ramniranjan Bhutra</b> <i>(Non-Executive Director)</i>	<b>Sd/-</b>
<b>Krishnakumar Bangera</b> <i>(Non-Executive Independent Director)</i>	<b>Sd/-</b>
<b>Richa Sharma</b> <i>(Non-Executive Independent Director)</i>	<b>Sd/-</b>
<b>Shivkumar Singh</b> <i>(Whole Time Director)</i>	<b>Sd/-</b>

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>Shivkumar Singh</b>	<b>Sd/-</b>
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**Date: March 02, 2019**

**Place: Mumbai**