



APLAB LIMITED

Our Company, Aplab Limited (the “Company” or the “Issuer”) was originally incorporated on September 30, 1964 in Mumbai under the Companies Act 1956, in the name of ‘Applied Electronics Limited’ with the Registrar of Companies (“RoC”), Mumbai. Subsequently, the Company received its certificate of commencement of business on September 30, 1964. On October 06, 1994, the name of our Company was changed to the present name ‘Aplab Limited’, and a fresh certificate of incorporation was obtained. For further details, see “History and Corporate Structure” on page 49.

Corporate Identity Number: L99999MH1964PLC013018

Registered Office: Aplab House, Plot No.A-5, Wagle Industrial Estate, Thane, Mumbai, Maharashtra – 400604, India;

Contact Person: Mr. Rajesh Deherkar (Company Secretary and Finance Controller & Compliance Officer);

Telephone: (022) 25821861/ 67395555/ 25820319; **Facsimile:** (022) 25823137;

Website: www.aplab.com; **E-mail:** shares@aplab.com.

PROMOTERS OF OUR COMPANY: PRABHAKAR SHANKAR DEODHAR

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF APLAB LIMITED
(OUR “COMPANY” OR THE “ISSUER”) ONLY**

ISSUE OF UP TO 50,00,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF RS. 10/- PER RIGHTS EQUITY SHARE AGGREGATING UP TO RS. 500.00 LAKHS ON RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS, ON [●], 2021 (THE “ISSUE”). FOR DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 119.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the section “Risk Factors” on page 16.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of Our Company are listed on BSE Limited (“BSE”/ “Stock Exchange”). Our Company has received “in-principle” approval from BSE for listing the Rights Equity Shares through its letter dated [●], 2021. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, the Designated Stock Exchange is BSE.

WILFUL DEFAULTER

Our Company, its Directors and its promoters do not appear in the list of Wilful Defaulters issued by Reserve Bank of India (“RBI”). For further details, see “Other Regulatory and Statutory Disclosures” on page 115.

Registrar to the issue



Adroit Corporate Services Private Limited
18-20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka,
Andheri (E), Mumbai, Maharashtra – 400059, India

Tel: 022 - 28590942, 28503748

E-mail: info@adroitcorporate.com

Website: www.adroitcorporate.com

Investor grievance e-mail: info@adroitcorporate.com

Contact Person: Mr. Suresh

SEBI Registration No.: INR000002227

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 15 (Fifteen) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this chapter. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactment notifiedthereto.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the chapter titled “Statement of Special Tax Benefits” and “Financial Information” on pages 45 and 56, respectively, shall have the meaning given to such terms in such chapters.

General Terms

Terms	Description
“Aplab Limited” or “the Company” or “our Company” or “the Issuer”	Aplab Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at A-5, Aplab House, Wagle Industrial Estate, Thane, Mumbai, Maharashtra – 400604, India
“We” or “Us” or “Our”	Unless the context otherwise indicates or implies or unless otherwise specified, our Company.

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The abridged letter of offer to be sent to the Equity Shareholders as on the Record Date with respect to this Issue in accordance with SEBI Regulations
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the RightsEntitlement.
Allotment / Allot / Allotted /Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of allotment has been approved by the BSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are Allotted pursuant to this Issue.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process. to subscribe to the Rights Equity Shares at the Issue Price.
Application Form / CAF / Common Application Form	Form (including online application form available for submission of application though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an Application for Allotment of Rights Equity Shares in the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Applicant.

Application Money	Aggregate amount payable at the time of Application, i.e., Rs. 10/-, in respect of the Rights Equity Shares applied for in the Issue.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the Application Form or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper application.
ASBA Applicants / ASBA Investors	Applicants / Investors who make Application in this Issue using the ASBA Process
Banker to our Company	Union Bank of India Limited
Bankers to the Issue / EscrowCollection Bank	RBL Bank Limited
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” on page 119.
Controlling Branches / ControllingBranches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other website(s) as may be prescribed by the SEBI from time to time.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms or the plain paper Application, as the case may be, used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	This draft letter of offer dated March 1, 2021.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. [●].
Entitlement Letter/ Rights EntitlementLetter	A letter to be dispatched by the Registrar to all Existing Equity Shareholders as on the Record Date which will contain details of their Rights Entitlements based on their shareholdings as on the Record Date.
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
Issue / the Issue / this Issue / Rights Issue	Issue of up to 50,00,000 Equity Shares with a face value of Rs. 10/- each (“ Rights Equity Shares ”) for cash at a price of Rs. 10/- aggregating up to Rs. 500 Lakhs on a rights basis to Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Share for every 1 (One) fully paid-up Equity Share held by Eligible Equity Shareholders on the Record Date i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]

Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 10/- per Rights Equity Share.
Issue Proceeds	The gross proceeds rose through the Issue.
Issue Size	The amount aggregating up to Rs. 500 Lakhs.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into between our Company and the Stock Exchange.
MCA Circular	General Circular No. 21/2020 dated May 11, 2020 read with General Circular No. 27/2020 dated August 3, 2020 issued by the Ministry of Corporate Affairs, Government of India.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 42.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Offer Documents	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circular, circulars issued by the Stock Exchange from time to time and other applicable laws.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular, circulars issued by the Depositories from time to time and other applicable laws.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●].
Refund Bank	RBL Bank Limited
Registrar to the Issue / Registrar and Transfer Agent / RTA	Adroit Corporate Services Private Limited
Registrar Agreement	Agreement dated March 01, 2021 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s), not being the original recipient, who has / have acquired Rights Entitlements from the Eligible Equity Shareholders, in accordance with SEBI ICDR Regulation read with SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.
Rights Entitlements / REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being One Rights Equity Share for every 1 (One) fully paid-up

	Equity Share held by the Eligible Equity Shareholder on the Record Date. <i>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue OpeningDate.</i>
Rights Equity Shares / Rights Shares	Equity Shares offered and to be issued and allotted pursuant to the Issue.
Self-Certified Syndicate Bank /SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other links as may be prescribed by SEBI from time to time.
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed.
Transfer Date	The date on which Application Money held in the escrow account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Company Related Terms

Terms	Description
Articles of Association	The Articles of Association of our Company as amended from time to time.
Audited Financial Statements	The audited financial statements of our Company as at and for the year ended March 31, 2020 which comprises of the balance sheet as at March 31, 2020, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. Puranik Kane & Co., Chartered Accountant
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10/- each of our Company.
Key Managerial Personnel / KMP	Mr. Prabhakar Shankar Deodhar, Chairman & Managing Director, Mr. Rajesh Kesrinath Deherkar, Company Secretary and CFO, collectively referred as Key Managerial Personnel of the Company.
Limited Review Financial Statements	Together, the limited review unaudited financial results for the nine months ended December 31, 2020, the statement of assets and liabilities as at December 31, 2020 and the cash flow statement for the nine months ended December 31, 2020 of our Company prepared and published in accordance

	with Regulation 33 of the SEBI Listing Regulations.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Mr. Prabhakar Shankar Deodhar
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at A-5, Aplab House, Wagle Industrial Estate, Thane, Mumbai, Maharashtra – 400604, India.
Registrar of Companies / ROC	Registrar of Companies, Mumbai, located at 5th Floor, 100, Everest Building, Netaji Subhash Road, Marine Dr, Mumbai, Maharashtra – 400002.

Business and Industry related Terms / Abbreviations

Term	Description
P E Division	Power Electronics
T & M	Test & Measuring Instruments
P C C	Power Conversion & Control
ELTRAC	Banking Automation Products

Conventional Terms and Abbreviations

Term	Description
“” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
CCIT	Chief Commissioner of Income Tax
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 2013, as amended from time to time
Companies Act, 1956	Erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
COVID-19	The Coronavirus disease 2019
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation

EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non-Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA Act / FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Rules	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 Month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations
GCP	General Corporate Purpose
GIR	General Index Registrar
Government/GoI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
NACH	National Automated Clearing House which is a consolidated system of ECS.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account

NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations / ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Rights Issue Circular	SEBI Rights Issue Circular Collectively, SEBI circulars, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
TDS	Tax Deducted at Source
U.S/United States	The United States of America
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form only to email addresses of such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form, shall not be sent the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein

is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.

The contents of this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor any of our respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (“Securities Act”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“United States” or “U.S.”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“Regulation S”), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer / Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

In this Draft Letter of Offer, reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

Financial Data

Unless stated otherwise or unless the context otherwise require, the financial information and data in this Draft Letter of Offer, with respect to our Company, is derived from our audited financial statements for the financial year ended on March 31, 2020 and limited review unaudited financial results, the statement of assets and liabilities and cash flow statement for the nine months ended on December 31, 2020, which have been prepared by our Company in accordance with Ind AS, Companies Act, and other applicable statutory and / or regulatory requirements (“**Financial Statements**”). We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further details, please see the chapter titled “*Financial Statements*” beginning on page 57.

Our Company’s fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular “Financial Year” or “Fiscal Year” or “Fiscal” are to the 12 (twelve) months period ended March 31 of that year.

All numerical values as set out in this Draft Letter of Offer, for the sake of consistency and convenience, have been rounded off to two decimal places. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency of Presentation

- All references to ‘INR’, ‘₹’, ‘Indian Rupees’, ‘Rs.’ and ‘Rupees’ are to the legal currency of India.
- Any reference to ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. dollars’ are to the legal currency of the United States of America.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees in Lakh.

Exchange Rate

The following tables provide information with respect to the exchange rate for the Indian rupee per unit of a foreign currency. The exchange rates are based on the reference rates released by the Reserve Bank of India or Financial Benchmarks India Private Limited, as the case may be. No representation is made that any rupee amounts could have been, or could be, converted into such foreign currency at any particular rate, the rates stated below, or at all.

Sr. No.	Name of Currency	As on March 31, 2019	As on March 31, 2020
1	U.S. Dollar	75.3849	69.1713

Source: www.rbi.org.in

⁽¹⁾ Represents the reference rate released by the RBI / FBIL on closing of the last Working Day of the period.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- A prolonged slowdown in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- The performance of the Electricals market in India and globally;
- Any failure or disruption of our information technology system;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Risk Factors*” beginning on page 16. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SECTION II – SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the chapters, “Objects of the Issue”, “Outstanding Litigation and Other Defaults” and “Risk Factors” on pages 42,112 and 16 respectively.

1. Primary Business of our Company

Our Company is engaged in the business of manufacture, sale and servicing of Professional Electronic Equipment. It has independent product divisions which include test and measurement equipment, power conversion and uninterruptible power supply (UPS) systems and self-service terminals for the banking sector. The Company’s products include UPS Systems, High Power DC Systems, Test and Measurement Instruments, Power Supplies, Laboratory Instruments, Banking & Retail Automation Products. Its UPS systems include industrial UPS systems and static transfer switches for industrial clients.

2. Object of the Issue

The Net Proceeds are proposed to be utilized as follows:

(Rs. in Lakhs)

Sr. No.	Particulars	Estimated amount to be utilized
1.	To repay the loan availed from Bank of Baroda	220.00
2.	General corporate purposes	280.00
	Total	500.00

For further details, please see the chapter titled “Objects of the Issue” on page 42.

3. Intention and extent of participation by the Promoter and Promoter Group

Our Promoter and Promoter Group, (the “Promoter and Promoter Group Letters”), have confirmed to (i) subscribe to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of any other member(s) of the Promoter and Promoter Group); (ii) also subscribe to Rights Equity Shares for the Rights Entitlements, if any, which are renounced in their favour by any other member(s) of the Promoter and Promoter group; and (iii) In the event of any under- subscription of the Issue, to subscribe to additional Rights Equity Shares to the extent of at least minimum subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957. Any acquisition of Rights Equity Shares by Promoter & Promoter Group of the Company, over and above our Rights Entitlements, as applicable, or subscription to any unsubscribed portion of this Issue, will not result in a change of control of the management of the Company and will not result in non-compliance or violation of any applicable laws.

For further details, please see the chapter titled “*Capital Structure*” beginning on page 39.

4. Summary of outstanding litigations

The following table sets forth the summary of outstanding litigations by and against our Company as on the date of this Draft Letter of Offer:

Assessment Year	Forum where dispute is pending	Date on which demand raised	Outstanding Amount (Rs. in Lakhs)
2008-09	Sales Tax Tribunal – Mumbai VAT	29.07.2017	109.15
2010-11	Additional Commissioner Circle 1, Thane	30.03.2014	125.40
2011-12	Commissioner of IT Range 1	28.03.2013	682.31
2012-13	CIT II Thane	26.12.2019	124.02
Total			1040.88

For further details, please see the chapter titled “*Outstanding Litigations and Other Defaults*” beginning on page 112.

5. Risk Factors

For details of the risks associated with our Company, please see the section titled “*Risk Factors*” beginning on page 16.

6. Contingent liabilities

For details of contingent liabilities for the FY 2019-20, please see the section titled “*Financial Information*” beginning on page 57.

7. Related party transactions

For details of related party transactions for the FY 2019-20, please see the section titled “*Financial Information*” beginning on page 57.

8. Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Draft Letter of Offer.

SECTION III – RISK FACTORS

INTERNAL RISKS

1. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

The World Health Organization declared the 2019 novel coronavirus (“COVID-19”) outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures to control the spread of COVID-19, including quarantines, shelter-in-place orders, closure of schools, travel restrictions, and closure of non-essential businesses. The COVID-19 pandemic has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.

The impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. Adverse consequences of, and conditions resulting from, the COVID-19 may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID19 outbreak has subsided.

2. Our Company has certain contingent liabilities and profitability may be adversely affected if any of these contingent liabilities materialize.

As of March 31, 2020, our contingent liabilities on a consolidated basis, that have not been provided for were as follows:

Sr. No.	Particulars	2019-20 (Rs.)
1.	Disputed Tax / Duty demands not provided for	10,83,14,350
2.	Bank guarantees given on behalf of Company to third parties	9,31,97,190
3	Cases filed by separated employees for their unpaid gratuity includes recovery on interest on delayed payment.	Interest amount not ascertained.

For further details, see “Financial Statements” on page 57. If a significant portion of these liabilities materializes, it could have an adverse effect on our business, financial condition and results of operations.

3. Further delay in receipt of Consideration for sale of Property, may materially impact the financial position of the company.

Company owned leased premises of Thane at Plot A-1, A-3, A-5 and A-6 admeasuring about 5500 sq.mtrs and the same was sold to Saptashree Tech World for a consideration of Rs. 35.00 crores in 2016. Till date only Rs. 10.5 Cr. have been received from the purchaser. Balance Rs. 24.5 Cr. will be released by Purchaser only on receipt of LabourNOC. After 3 years during June 2019 Bank gave the permission to sale the premises with a condition that Rs. 23 Cr. should be used for reduction of bank limits out of the proceeds from the purchaser. However due to Covid-19 pandemic NOC from labour has not yet received. Further delay in approval may further increase the financial burden on the company as finance cost is actually hampering the operations of the company.

4. Unpaid Gratuity amount to employees of the Company is an ongoing liability and will impact the current and future cash flow of the Company.

The Company has an unpaid gratuity amounting to Rs. 851 Lakhs of ex- employees and Rs.807 lakhs for the present employees which is not funded. Total liability towards gratuity is Rs.1658 Lakhs. Company needs to find the source and generate enough cash flow to pay off the existing liabilities towards employee dues. Non -payment may impact the current operation of the Company.

5. Our Company is involved in certain legal and other proceedings and there can be no assurance that our Company will be successful in any of these legal actions. In the event our Company are unsuccessful in any of the disputes, our business and results of operations may be adversely affected.

A summary of material outstanding legal proceedings involving our Company, as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Assessment Year	Forum where dispute is pending	Date on which demand raised	Outstanding Amount (Rs. in Lakhs)
2008-09	Sales Tax Tribunal – Mumbai VAT	29.07.2017	109.15
2010-11	Additional Commissioner Circle 1, Thane	30.03.2014	125.40
2011-12	Commissioner of IT Range 1	28.03.2013	682.31
2012-13	CIT II Thane	26.12.2019	124.02
Total			1040.88

6. Our inability to meet our obligations, conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations as well as to undertake and consummate the Issue. Further, our Company is required to take prior consent of our lenders under some of our financing agreements for undertaking certain actions, including the Issue.

Our operations are capital intensive and require us to have significant amount of borrowings for capital expenditure and working capital. As of September 30, 2020, our Company, on a consolidated basis, had (a) secured borrowings which comprised of working capital facilities aggregating to Rs.4116.91 lakhs and non-fund based facilities of Bank Guarantees aggregating to ₹ 950 lakhs; and (b) unsecured borrowings comprising of loans from Directors aggregating to ₹3200.58 lakhs. For details, see “Financial Statements” on page 57.

The level of our indebtedness could have several important consequences, including:

- a substantial portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of cash flows to fund working capital, capital expenditures, and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;
- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is subject to floating rates of interest;
- we may have difficulty in satisfying repayments and other restrictive covenants under our existing financing arrangements;
- future defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our receivables and other assets; and
- we may be limited in our ability to expand our business and therefore, we may be limited in our capability to withstand competitive pressures.

Given the nature of our business, we will continue to incur indebtedness even after the Issue, and we cannot assure you that the aforementioned risks will not have an adverse effect on our cash flows, results of operations and financial condition.

Furthermore, if market conditions or other factors at the time of financing or refinancing (including changes in market conditions and maturity term imposed by any lenders) result in higher interest rates, the interest expense may be significant and may have a material and adverse effect on our cash flows and financial condition.

7. Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facilities are subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence. For instance, our Company’s operations have, in the past, been disrupted due to strikes by some of our workers. For further details, see “Outstanding Litigation and Defaults – Other proceedings involving our

Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company – Civil Proceedings” on page 112. Moreover, catastrophic events could also destroy any inventory located at our facilities. The occurrence of any such event could result in a temporary or long-term closure of any of our manufacturing facilities. If we are required to close any of our facilities, the costs relating to such closure may be significant. In certain locations where our facilities are subject to leases, we may continue to incur significant costs in accordance with the existing lease terms.

8. Our inability to manage growth could result in disruptions in our business and performance.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Whilst we have generally been successful in execution of our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

While we have been able to successfully execute our business strategy in the past, the same may not be achievable in the future. Further, rapid growth could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management to meet the challenges of rapid growth could cause disruptions to our business and could be detrimental to our long-term business outlook.

9. We depend on our management team and the loss of team members may adversely affect our business.

There have been changes in management team in the recent past. We believe that we have a team of professionals to oversee the operations and growth of our business. We have a number of technically qualified people in each area of our activity. If one or more members of our management team are unable or unwilling to continue in their present positions because of various factors, such persons would be difficult to replace and our business would be adversely affected. We may lose members of our key management team to our clients or competitors.

10. We have incurred significant losses in the recent past and may incur losses in the future which may have an adverse effect on our business.

In the FY 2019-20, our Profit before exceptional items and tax, for FY 2019-20 was ₹ 2.93 lakhs only, which was primarily due to an increase in finance costs and depreciation, after

considering sale of land held as stock-in-trade in the previous year. The operating loss was also a result of decrease in sales, when compared to Fiscal 2019, which resulted in the under absorption of fixed costs. Furthermore, as per the Unaudited Financial Results, for the Half year period ended September 31, 2020, there are Accumulated Losses to the tune of Rs.3238.95 Lakhs in our Balance Sheet. We will need to generate and sustain increased revenues and decrease proportionate expenses in future periods to achieve profitability and wipe off the Accumulated Losses, and even if we do so, we may not be able to maintain or increase profitability.

11. Our Company requires several licenses/ approvals/ permissions for carrying on its business. If our Company is unable to obtain the required approvals and licenses in a timely manner, our business and operations may be adversely affected.

Our Company requires certain approvals, licenses, registrations and permissions for operating our business. Some of which our Company has already obtained and/or has either made or is in the process of making the application. If our Company fails to obtain these approvals/registrations/ licenses/permissions, or renewal thereof, in a timely manner, or at all, our operations would be adversely affected, having a material adverse effect on our Company's business, results of operations and financial condition. Such grant may also be subject to restrictions and/or permissions which may not be acceptable to our Company, or which may prejudicially affect our operations, and would have a material adverse effect on our Company's business, results of operations and financial conditions.

Furthermore, the government approvals and licenses are subject to various conditions. If it fails to comply, or a regulator claims that the Company has not complied with these conditions, its business, financial position and operations would be materially adversely affected.

12. If we are unable to maintain and enhance our business through brand building and marketing, it may impact our performance, which would have a material adverse effect on our business, results of operations, cash flows and financial condition.

We undertake extensive promotional, marketing and advertising initiatives to position and maintain our business in the market. There can be no assurance that our company will not be adversely affected in the future by actions that are beyond our control including customer complaints or adverse publicity by any third party. Any damage to our company or its business, if not immediately and sufficiently remedied, could have an adverse effect on our reputation, competitive position, business, results of operation, cash flows and financial condition.

Maintaining and enhancing our business may also require us to undertake significant expenditures towards brand building activities such as advertising and marketing through various media and promotional events, including through digital initiatives. Our business is

also dependent on the quality of products and services offered by us and customer satisfaction.

If our initiatives are not effectively implemented or do not yield intended results, or if our products fail to find acceptance and/or satisfaction of our customers, it may result in loss of customer confidence in our company, which in turn lead to loss of customers and would adversely affect our business, results of operations, cash flows and financial condition.

13. We depend on third parties for the supply of raw materials and delivery of products and such third parties could fail to meet their obligations, which may have a material adverse-affect on our business, results of operations and financial condition.

We are dependent on third party suppliers for the supply of our raw materials. Discontinuation of production by these suppliers, a failure of these suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could hamper our production schedule and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices, thus affecting our margins, and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that high demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for some of our key products and deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits.

14. Our failure to identify and understand evolving technological changes, industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our Business.

To respond effectively to the changing customer preferences and requirements, we must be able to develop and produce new products to meet our customers' demand and satisfaction in a timely manner. While we continuously invest in R&D and seek to launch new and advanced Consumer Products, there can be no assurance that we will be successful in launching such new products, or whether these new products will be successful and create customer satisfaction. Our failure to successfully develop new products to meet the changing customer preferences and requirements, could adversely affect the demand of our Consumer Products and adversely affect our business and results of operations.

15. We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.

We face competition from other manufacturers in relation to our offerings, in the organized and unorganized segments.

Our competitors may, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. Other factors, such as the availability of our products and services, our competitiveness, manufacturing capabilities, technological advancement, brand recognition, the strength of our sales and distribution network and the quality and price of our goods have an effect on our ability to win customers in competitive situations and in turn, our market share.

16. We have not entered into long term contracts with our suppliers/ vendors. Any significant increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of any of the raw materials used by us could adversely affect our business, results of operations, cash flows and financial condition.

Our manufacturing operations depend on obtaining timely and adequate supplies of various raw materials and components required for our Products Business. If our suppliers/vendors are unable to supply the raw material and/or components required for the manufacture of our products, in sufficient quantities or at all, and in a timely manner, our ability to obtain raw material and components at competitive rates from alternate sources could be adversely affected because of higher prices, thereby adversely affecting our operating margins and results of operations. Further we do not enter into long term agreements with the suppliers of raw material and components. We may not be able to find alternate suppliers/ vendors with required standard of quality, and enter into contracts with favorable commercial terms or at all, in case of any severance of our relations with our existing suppliers/ vendors, which could adversely affect our business, results of operation, cash flows and financial condition.

Further, numerous factors, most of which are beyond our control, drive the cycles of raw materials/ components, such as general economic conditions, competition, production costs and levels, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. While we have generally been able to pass on the increase in cost of raw materials/ components to our customers, there can be no assurance that we will be able to continue doing so in the future. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price increase, our business, financial condition, cash flows and results of operations could be materially and adversely affected.

17. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on results of operation, cash flows and financial conditions.

Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on results of operation, cash flows and financial conditions. Our business is dependent on our ability to effectively manage our manufacturing facilities, which are subject to various operating risks. Any material interruption at our manufacturing facilities, including power failure, fire and unexpected mechanical failure or malfunction of equipment or machinery, could reduce our ability to meet our stipulated orders and earnings for the affected period.

If there is an insufficient supply of electricity or water to satisfy our requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that we will always have access to sufficient supplies of electricity or water in the future to accommodate our production requirements and planned growth. Although we have not experienced any significant disruptions at our manufacturing facilities in the past, in the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to identify alternate sources for various supplies and products at higher prices in order to meet our production requirements, which could affect our results of operation, cash flows and financial condition.

18. Our manufacturing operations are currently geographically concentrated in the state of Maharashtra. Consequently, we are exposed to risks from economic, political, regulatory and other developments in the western region which could have an adverse effect on our business, results of operations, cash flows and financial condition.

Our manufacturing operations are currently geographically concentrated in Maharashtra. Our manufacturing activities are therefore significantly dependent on the general socio-economic-political conditions and regulatory regime in Maharashtra. The economic and regulatory conditions in Maharashtra may be affected by various factors outside our control, including prevailing local, social and economic conditions, changes in the applicable governmental regulations, demographic trends, changes in regulations governing employment of labourers, fluctuation in the income levels and interest rates, among other factors.

Further, change in the policies of the government of Maharashtra, any political disruption, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate in Maharashtra, could adversely affect our business operations or strategy. There is no assurance that such disruption in business operations would not bring any hindrance in the functioning of our manufacturing facilities. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting our industry in which we operate in Maharashtra.

19. The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other adverse consequences.

As part of our growth strategy, we have pursued and may pursue acquisitions, mergers and strategic investments and collaborations as a mode of expanding our operations. There can be no assurance that the integration of such strategic investments, joint ventures and collaborations, acquisitions and mergers, whether already existing, or which we may enter in the future, if any, will be successful or that the expected strategic benefits of any such action will be realized.

We may pursue further acquisitions, mergers, joint ventures, investments and expansions to enhance our operations and technological capabilities. However, we cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. Such acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, enhanced regulatory compliance, diversion of management's attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

20. Employee misconduct could harm us, adversely affect our business and results of operations, and is difficult to detect and deter.

Although we closely monitor our employees, any misconduct (including acts of theft or fraud) by employees or executives could bind us to transactions that exceed authorized limits or present unacceptable risks, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our reputation.

21. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

22. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such Investor's share of the paid-up equity capital of our Company.

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

23. Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements in the jurisdictions in which we operate. Our project operations may generate dust, pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. We cannot assure you that compliance with such laws and regulations will not result in a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, manufacturing activities in India are also subject to various health and safety laws and regulations as well as laws and regulations governing their relationship with their respective employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. Accidents, in particular fatalities,

may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs.

24. Our operations are subject to risks of mishaps or accidents that could cause damage or loss to life and property and could also result in loss in our business.

Our business operations are subject to operating risks, including fatal accidents, mishaps, failure of equipment, power supply, labour disputes, natural disasters or other force majeure conditions which are beyond our control. The occurrence of any of these factors could significantly affect our results of operations and financial condition. Long periods of business disruption could result in a termination of our project agreements. Although we take precautions to minimize the risk of any significant operational problems at our operation sites, there can be no assurance that we will not face such disruptions in the future.

We may be exposed to various risks which we may not be able to foresee or may not have adequate insurance coverage. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, in addition to the above, any fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, availability of insurance coverage in the future and our results of operations. Such incidents could also potentially lead to legal claims for damages and the liabilities and costs arising out of such legal proceedings could have a material adverse effect on our business, results of operations and financial condition.

EXTERNAL RISKS

Risks Relating to India

25. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and

our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- adverse geo-political conditions, political instability, terrorism or military conflict in India or in countries in the region or globally, including with India's neighbouring countries;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks, epidemics, pandemics or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and the price of the Equity Shares.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia.

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.

26. It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and our Directors and executive officers reside in India. A substantial majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to: i) effect service of process outside of India upon us and our Directors and officers; or ii) enforce in courts outside of India judgments obtained in such courts against us and our Directors and officers

27. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

28. Differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

29. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include income tax and indirect taxes on goods and services such as goods and services tax ("GST"), surcharge and cess currently being collected by the central and state governments, which are introduced on a temporary or permanent basis from time to time. Recently, the government pursuant to the Taxation Laws (Amendment) Act, 2019 amended the Income Tax Act to reduce the corporate income tax rate in certain cases. The statutory corporate income tax in India for companies opting for reduced tax rate may range up to

25.168 %. The central or state government may vary the corporate income tax in the future which may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could materially and adversely affect our business, financial condition and results of operations.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services and has increased administrative compliance for companies, which is a consequence of increased registration and form filing requirements. As the taxation system is relatively new and could be subject to further amendments in the short term for the purposes of streamlining compliance, the consequential effects on us cannot be determined as of now and there can be no assurance that such effects would not adversely affect our business and future financial performance.

30. The taxation system in India could adversely affect our business, financial condition, cash flows and results of operations.

The provisions relating to the General Anti-Avoidance Rules (“GAAR”) were introduced in the Finance Act 2012 and have been applicable since financial year commencing from April 1, 2017. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not normally created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes. The tax consequences of the GAAR could result in denial of tax benefits and other consequences, and if the GAAR is made applicable to us, it may have an adverse tax impact on us. Any increases in or amendments in the tax applicable to us due to the GAAR may result in additional taxes becoming payable by us.

Risks Relating to the Equity Shares and this Issue

31. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing

Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

32. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

33. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

34. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020 and January 19, 2021, streamlined the process of rights issues.

You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer. The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020 and January 19, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be participate in the Issue only in accordance with the applicable laws in their respective jurisdictions. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

35. Investors will be subject to market risks until the Equity Shares credited to the investors demataccount are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

36. Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights (including their credit) to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act and the U.S. Investment Company Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

37. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

38. Fluctuations in the exchange rate between the Rupee and the U.S. Dollar could have an adverse effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will be paid in Rupees and subsequently converted into U.S. Dollars for repatriation, as required. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors in terms of domicile currency of the investor. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because

of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

39. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the trading price of our 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 requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, 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 or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. 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.

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

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

41. The Equity Shares to be allotted may not be credited to your demat account in a timely manner and cannot be traded unless the listing and trading approval is received or at all.

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

SECTION IV – INTRODUCTION

This Issue has been authorised by way of a resolution dated February 02, 2021, passed by our Board, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The following is a summary of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section “Terms of the Issue” on page 119.

SUMMARY OF THE ISSUE

Equity Shares outstanding prior to the Issue	50,00,000 Equity Shares
Rights Equity Shares to be Issued	Up to 50,00,000 Rights Equity Shares of Rs. 10/- Each
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	1,00,00,000 Equity Shares
Rights Entitlements*	1 Rights Equity Share for every 1 fully paid-up Equity Share held on the Record Date
Record Date	[●]
Face value per Equity Share	Rs. 10/- each
Issue Price per Rights Equity Share	Rs. 10/- per Rights Equity Share
Issue Size	Rs. 500.00Lakh
Equity Shares, issued, subscribed and paid-up prior to the Issue	50,00,000 Equity Shares
Scrip details	ISIN:INE273A01015 BSE: 517096 ISIN of Rights Entitlements: [●]
Terms of the Issue	For more information, please see the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 119.
Use of Issue Proceeds	For more information, please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 42.

GENERAL INFORMATION

Our Company, Aplab Limited (the “Company” or the “Issuer”) was originally incorporated on September 30, 1964 in Mumbai under the Companies Act 1956, in the name of ‘Applied Electronics Limited’ with the Registrar of Companies (“RoC”), Mumbai. Subsequently, the Company received its certificate of commencement of business on 30th September, 1964. On October 06, 1994, the name of our Company was changed to the present name ‘Aplab Limited’, and a fresh certificate of incorporation was obtained.

Registered Office of our Company

Aplab Limited

A-5, Aplab House, Wagle Industrial Estate, Thane, Mumbai, Maharashtra – 400604

Telephone: 022-25821861/ 67395555/ 25820319

E-mail: shares@aplab.com Website: www.aplab.com

CIN: L99999MH1964PLC013018

Registration Number: 013018

Change in Registered Office of our Company

The Registered Office of our Company is situated at Aplab House, Plot NO.A-5, Wagle Industrial Estate, Thane, Mumbai, Maharashtra – 400604, India. There has been no change in the registered office of our Company since inception.

Address of the ROC

Our Company is registered with the ROC, Mumbai which is situated at the following address:

Registrar of Companies, Mumbai

5th Floor, 100, Everest Building,

Netaji Subhash Road, Marine Drive,

Mumbai, Maharashtra – 400002, India

Board of Directors:

The following table sets out the details of our Board as of the date of this Draft Letter of Offer:

Name	Designation	DIN	Address
PRABHAKAR SHANKAR DEODHAR	Chairman & Managing Director	00393117	13, Landmark, 175, Carter Road, Bandra, Mumbai – 400 050
AMRITA PRABHAKAR DEODHAR	Director	00538573	13, Landmark, 175, Carter Road, Bandra, Mumbai – 400 050
SHAIENDRA KUMAR HAJELA	Director	01001987	3, Bela Road, Civil Lines, Delhi – 110054
DINESHKUMAR AMRUTLAL KOTECHA	Director	02115860	Amrut Krishnakunj, Bazar PethKilla Road, Vasai Gaon Next to Gujarati College Bassein – 401 201

Company Secretary and Compliance Officer

Mr. Rajesh K Deherkar
Aplab Limited
A-5, Aplab House, Wagle Industrial Estate,
Thane, Mumbai, Maharashtra – 400604
Telephone: 022-25821861/ 67395555/ 67395510
E-mail: rajesh.deherkar@aplab.com
Website: www.aplab.com

Registrar and Share Transfer Agent

Adroit Corporate Services Private Limited
18-20, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (E), Mumbai, Maharashtra – 400059, India
Tel: 022 - 28590942, 28503748;
E-mail: info@adroitcorporate.com;
Website: www.adroitcorporate.com;
Investor grievance e-mail: info@adroitcorporate.com
Contact Person: Mr. N. Surreash
SEBI Registration No.: INR000002227
CIN: U67190MH1994PTC079160

Statutory Auditors of our Company**Puranik Kane & Co.**

Address: Flat No.3, Building No. 1
Ramkrishna Nagar CHS
Near Sharanam Hotel
Teen Hath Naka
Thane (West) – 400 604
Telephone: +91-9821801011
Email: ashishkane@puranikkane.com
Contact Person: Mr. Ashish Kane
Firm Registration Number: 120215W

Bankers to our Company

Union Bank of India

Bankers to the Issue

RBL Bank Limited

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such

other website as may be prescribed by SEBI from time to time.

For further details on the ASBA process, please refer to details given in ASBA form and also see “Terms of the Issue” on page 119 of this Letter of Offer

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked , ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” beginning on page 119.

Allocation of responsibilities

Not applicable for the Issue size is up to ₹ 5,000.00 Lakhs.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than Rs. 10,000 Lakhs, our Company is not required to appoint a monitoring agency in relation to this Issue.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Experts

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the Letter of Offer, our Company has not obtained any expert opinions.

Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will subscribe to their right

entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

Filing

SEBI (ICDR) (Fourth Amendment) Regulations, 2020 has granted certain relaxations with respect to Rights Issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the Rights Issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from Ten crores to Fifty crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchanges and submitted with SEBI for information and dissemination.

Issue Schedule:

Issue Opening Date	[•]
Last date for On Market Renunciation of Rights*	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

For further details, please see the chapter titled “*Terms of the Issue*” beginning on page **119**.

CAPITAL STRUCTURE

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

(₹ in Lakhs, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	AUTHORIZED SHARE CAPITAL		
	1,00,00,000 Equity Shares of Rs.10 each	1,000.00	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	50,00,000 Equity Shares of Rs. 10 each	500.00	-
C.	PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER⁽¹⁾		
	50,00,000 Rights Equity Shares at an Issue Price of Rs. 10.00/-per Rights Equity Share	500.00	500.00
D.	ISSUED SHARE CAPITAL AFTER THE ISSUE⁽²⁾		
	1,00,00,000 Equity Shares of Rs. 10 each	1,000.00	-
	SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE⁽²⁾		
	1,00,00,000 Equity Shares of Rs. 10 each fully paid up	1,000.00	-

⁽¹⁾ The Issue has been authorised by a resolution of our Board passed at its meeting held on **February 2, 2021**, pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

⁽²⁾ Assuming full subscription for and allotment of the Rights Entitlements.

*Subject to finalization of basis of allotment, Allotment and deduction of issue expenses.

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchasescheme.
2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further EquityShares:
3. All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Draft Letter of Offer. For further details on the terms of

the Issue, please see the chapter titled “*Terms of the Issue*” on page 119.

4. Shareholding of Promoter and Promoter Group:

The details of Equity Shares held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such Equity Shares as on the date of this Draft Letter of Offer are set forth below:

Sr. No.	Name of the Promoter & Promoter Group	No. of fully paid up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged/encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of total shares held
1	Mr. Prabhakar Shankar Deodhar	5,77,152	11.54	-	-	-	-
2	Ms. Amrita Prabhakar Deodhar	12,17,564	24.35	-	-	-	-
3	Mr. Dinesh Amrutlal Kotecha	441	0.01	-	-	-	-
4	Origin Instrumentation Private Limited	12,210	0.24	-	-	-	-
5	Printquick Private Limited	76,832	1.54	-	-	-	-
6	Deodhar electro design (P) Ltd.	2,10,338	4.21	60,000	28.53	-	-
7	Devize (India) Private Limited	2,20,451	4.41	-	-	-	-
8	P S Deodhar Foundation Trust	1,37,803	2.76	-	-	-	-
	Total	24,52,791	49.06	60,000		-	-

Except as disclosed above, none of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, locked-in or otherwise encumbered.

5. Details of Equity Shares Acquired by Promoter or Promoter Group in the last one year

No Equity Shares have been acquired by the Promoter or members of the Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Stock Exchange.

6. Intention and extent of participation in the Issue by the Promoter and Promoter Group

Our Promoter and Promoter Group, (the “Promoter and Promoter Group Letters”), have confirmed to (i) subscribe to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of any other member(s) of the Promoter and Promoter Group); (ii) also subscribe to Rights Equity Shares for the Rights Entitlements, if any, which are renounced in their favour by any other member(s) of the Promoter and Promoter group; and (iii) In the event of any under- subscription of the Issue, to subscribe to additional Rights Equity Shares to the extent of at least minimum subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957. Any acquisition of Rights Equity Shares by Promoter & Promoter Group of the Company, over and above our Rights Entitlements, as applicable, or subscription to any unsubscribed portion of this Issue, will not result in a change of control of the management of the Company and will not result in non-compliance or violation of any applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

7. The ex-rights price per Rights Equity Shares, as computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is Rs.[●].
8. At any given time, there shall be only one denomination of the EquityShares.
9. The details of the shareholders holding more than 1% of the share capital of the Company as on **31st December 2020** are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	Amrita Prabhakar Deodhar	12,17,564	24.35
2	Prabhakar Shankar Deodhar	5,77,152	11.54
3	Zee Entertainment Enterprises Ltd.	4,75,000	9.50
4	Balram ThakurdasBharwani	4,52,000	9.04
5	Devize (India) Ltd.	2,20,451	4.41
6	Deodhar Electro Design (P) Ltd.	2,10,338	4.21
7	P.S. Deodhar Foundation Trust	1,37,803	2.76
8	PrintquickPvt. Ltd/	76,832	1.54
9	Mita Dipak Shah	64,500	1.29
10	Sharad Kanayalal Shah	57,600	1.15

10. Shareholding Pattern of ourCompany

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on December 31, 2020 is available on the website of BSE at <https://www.bseindia.com/stock-share-price/aplab-ltd/aplab/517096/shareholding-pattern/>.

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the “**Gross Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the following objects (collectively, referred to as the “**Objects**”):

1. To repay the loan availed from Bank of Baroda;and
2. General corporate purposes.

The main object clause of our Memorandum of Association enables our Company to undertake its existing activities. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association. The loans availed by our Company, and which are proposed to be repaid / pre-paid in full or in part, from the Net Proceeds, are for activities carried out by us as enabled by the object clause of our Memorandum of Association.

Issue Proceeds

The details of the Issue Proceeds are set forth in the following table:

(₹ in lakhs)	
Particulars	Amount
Gross proceeds from the Issue#	500.00
(Less) Issue related expenses	([•])
Net Proceeds of the Issue	[•]

#Assuming full subscription and Allotment with respect to the Right Equity shares.

Requirement of Fund and Utilization of the Net Proceeds

(₹ in lakhs)	
Particulars	Amount
To repay the loan availed from Bank of Baroda	220.00
General corporate purposes	280.00
Total Net Proceeds**	500.00

**Assuming full subscription and Allotment with respect to the Right Equity shares

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised to be issue.

Utilization of Net Proceeds and Schedule of Implementation

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

Details of the Objects of the Issue

1. To Repay the loans availed from Bank of Baroda: Details of the loans proposed to be repaid/prepaid out of the Issue Proceeds:

Sr. No.	Name of the Lender	Nature of Facility and Details of Document	Principal Amount Outstanding (Rs. In Lakhs)	Amount proposed to be repaid out of the Net Proceeds (Rs. In Lakhs)	Other terms and conditions
1.	Bank of Baroda	Overdraft facility	220	220	N.A.
	Total		220	220	

2. General corporate purposes

Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, past gratuity payment, interest accrued administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management 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 Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, registrar to the issue and depository fees. The total Issue related expenses are estimated to be approximately ₹ [●] lakhs.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (Rs. in Lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fees of Registrar to the Issue	[●]	[●]	[●]
Fee to the legal advisor, other professional service providers and statutory fee	[●]	[●]	[●]
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]

Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

Our Company has currently not raised any bridge loan towards any of the stated objects of the Issue as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, our Company might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Monitoring of utilization of funds

Since the proceeds from the Issue are less than ₹ 5,000 lacs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Managerial Personnel and the members of our Promoter Group or Group Entities, except to the extent of adjustment of unsecured loans towards the entitlement, including additional subscription if any.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Aplab Limited
A-5, Aplab House, Wagle Industrial Estate,
Thane, Maharashtra, 400604

Dear Sirs,

Sub: Proposed Right Issue of Equity Shares (the “Issue”) by Aplab Limited (the “Company”)

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

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. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this 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.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

Yours faithfully,

For P.N. Kothari & Co.

Chartered Accountants

CA P.N. Kothari
M No. 039447

Date: March 1, 2021
Place: Mumbai

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The industry related information in this chapter is derived from the reports titled Industry Outlook 2021 prepared by CS Rama S.& Associates, except for other publicly available information as cited in this chapter. Neither we nor any other person connected with the Issue has verified the information in the report or other publicly available information cited in this chapter. Further, the Industry Outlook 2021 was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the Industry Outlook 2021 may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the report.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Where we are

Aplab plays in niche areas within three larger market segments: temporary power back-up, test and measurement and self-service kiosks.

Temporary Power Back-up

Aplab provides UPS and Back-up power solutions primarily to the Defense and Industrial Processes markets. Most research prior to 2019 showed a CAGR growth of more than 5% for the UPS and Inverter Industry. However, since the pandemic these estimates are unreliable. Instead, we have relied on investment reports and articles suggesting an increase in Infrastructure and Construction spending (Bloomberg, 2020) to estimate a 3% increase in the UPS systems market in India in 2021 and possibly a return to the 5% CAGR as predicted by prior research. Given India's increasing Naval presence and increased spending in both Air and Sea defenses, it is possible that a one-time increase in spending for new equipment could translate to an increase of 8-9% in the backup power equipment in this vertical for 2021 and possibly 2022.

Test and Measurement

Aplab primarily provides solutions in the electrical test and measurement marketplace. The sectors accounting for most of this business are the educational and power infrastructure sectors. In our opinion, 2021 will see a contraction of as high as 50% within this sector for these products. Most universities and schools are offering only online education currently, and a demand for test equipment will be muted till in-person laboratory settings are generally available again. Similarly, any new infrastructure spending that will generate any demand for new business bet at best in late 2022. Existing projects prior to Covid-19 will continue to require equipment, however it is difficult to foresee demand to 2019 levels at least until 2022. Any projections further out would not be credible, as this would depend on the scope of a Governmental fiscal stimulus, if any. Defense is another large procurer of Test equipment. However, data on how this translates to demand for T&M is not readily available and difficult to extrapolate.

Self-Service Kiosks

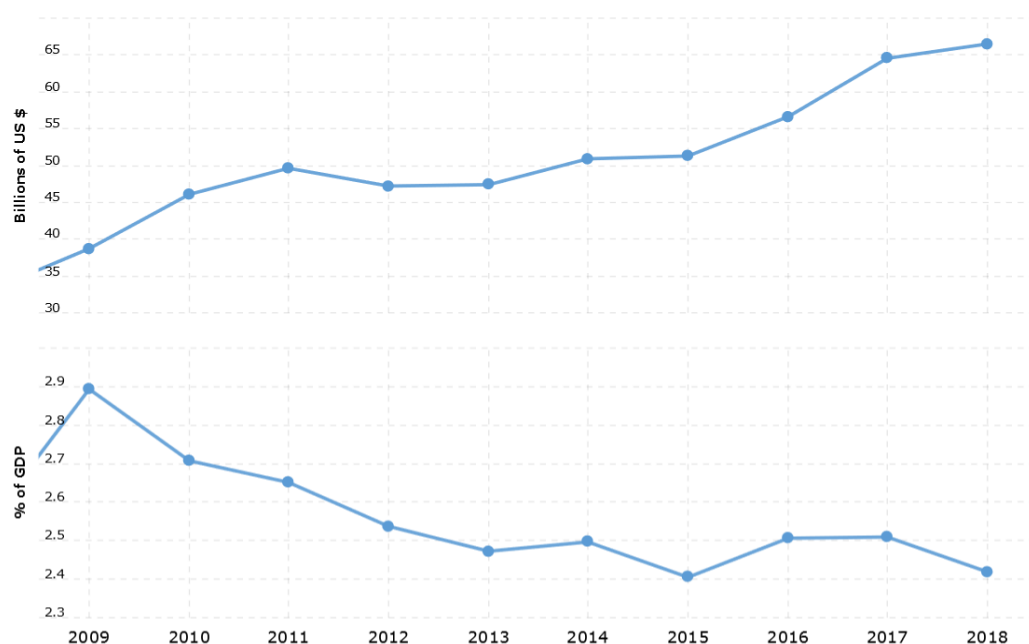
Financial institutions, for banking automation and Retail, with primarily information kiosk make up most of the demand for self-service kiosks. A good indicator of future demands for self-service kiosks, ATMs, etc. are a bank's plans for new branches and locations. The Indian Government's plans to merge Public Sector Banks (Wishfin, 2020) has meant branch consolidation, rather than expansion. New equipment purchases are still likely because of technology incompatibilities with anchor banks or general obsolescence. A survey for new automation kiosk equipment tenders however, shows no new demand thus far. We predict a 90% decline in demand for new equipment in 2021 and a return to normal demand perhaps only in 2023. Any CAGR projections would thus be meaningless.

POST-COVID WORLD

COVID-19 has meant that our basis for any industry projections will inherently be flawed if we only depended on growth trends and linear regression analysis. In the following pages, we will share data in the one area, that has not been impacted by the pandemic – spending on Defense equipment. Spending within “pandemic- alleviation” industries has increased; however, this is difficult to quantify since the expenditure is very specific. For example, within Pharmaceuticals, it is primarily the vaccine manufacturers; Logistics – new cold storage facilities, etc. Further how this will impact the industries under study is still not very clear.

Defense Spending

The chart below shows the increasing trend in India's Defense Budget allocation:



1Source: (Macrotrends, 2021)

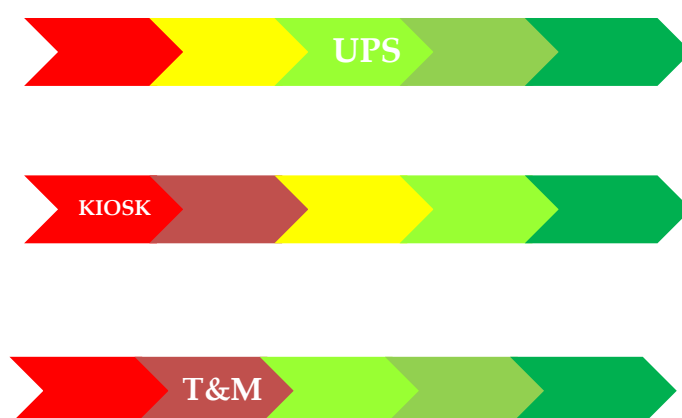
Although India's Defense budget has been increasing, increase in spending on equipment purchases has not been commensurate due to an outsized increase in the pension funding (Insider, 2020) component. India has been procuring new fighter jets and Naval equipment and has substantially increased procurement of new equipment out of geopolitical concerns. We foresee this trend to continue into 2022 (Eco, 2019).

Temporary Backup Power Figures

The UPS projections of an 8-9% increase in defense spending, signifies an increase from a very small base in our opinion. Given the high-cost structures for sophisticated defense equipment, our analysis estimates power equipment to constitute less than 0.5% of new equipment spend. So, these numbers should be considered accordingly. The return to 5% CAGR in 2022, is predicated on significant infrastructure spending to return in 2022. These are uncertain economic times and if the Indian Government finds itself in a low revenue environment and does not increase fiscal spending despite this, there are chances of contraction. Globally these markets should grow at the estimated 5% CAGR, especially the reserve currency economies.

Optimism Outlook Chart

Green being the most optimistic



The Temporary Backup Power Segment which includes UPS Uninterruptible Power Supplies, Inverters, Battery Chargers, etc. segment shows promise of near-term growth due increase in Defense spending directly in new equipment due to geopolitical concerns in the region.

Sources:

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HISTORY AND CORPORATE STRUCTURE

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 12 for a discussion of the risks and uncertainties in relation to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” on page 16, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our financial year ends on March 31 of each year, and references to a particular Financial Year is to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is derived from our Audited Financial Statements and Limited Review Financial Statements included in this Draft Letter of Offer. For further information, please see the chapter titled “Financial Statements” on page 57.

In this chapter, unless the context otherwise requires, a reference to “our Company” is a reference to Aplab Limited on a standalone basis.

Overview

Brief history of Our Company

Our Company, Aplab Limited (the “Company” or the “Issuer” or “APLAB”) was originally incorporated on September 30, 1964 in Mumbai under the Companies Act 1956, in the name of ‘Applied Electronics Limited’ with the Registrar of Companies (“RoC”), Mumbai. On October 06, 1994, the name of our Company was changed to the present name ‘Aplab Limited’, and a fresh certificate of incorporation was obtained. Currently, Our Company is engaged in the business of manufacturing Test and Measurement Equipment, Power Conversion and UPS Systems and Self-Service Terminals for the Banking Sector.

Our Company, since its inception, has been serving the Global Market with wide range of Electronic Products meeting the International standards for safety and reliability such as UL, VDE etc. APLAB manufactures Test and Measurement Equipment, Power Conversion and UPS Systems and Self-Service Terminals for the Banking Sector.

Our Products are available with QA Certification from UL, ATEX, OEML etc. on the option of the client. APLAB is certified for quality with ISO 9001:2015 registration.

Main Objects of our Company:

- (1) To take over, purchase or acquire all or any of the undertaking, property, and assets of the business carried by Shri P. S. Deodhar under the name and style of 'Applied Electronics Laboratories' at Bombay with or without the debts, liabilities, engagements and contracts of the said business.
- (2) To carry on the business of manufacture of electronic and other instruments such as voltage stabilizers, Regulated Power Supplies, Output Power Meters, Bridge Oscillators, Binary Counters, Null Detectors, Temperature controllers, Turbidimeters, Breakdown Testers and

other Instruments for Research, Educational, Medical and Industrial use.

- (3) To carry on the business of metal-pressers, metal-rollers, metal-punching, iron-founders, brass founders, tin plate-makers, metallurgists, dye-makers, mechanical engineers, tool-makers, millwrights, smiths, machinery manufactures, wood workers, builders, painters, wire drawers, tubemakers, galvanisers, jeparners, annealers, enamellers, electroplaters, packing case and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock and hardware of all kinds.
- (4) To carry on the business of electricians, electrical engineers and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in wires, cables, accumulators, lamps, meters, engines, dynamos, batteries, telephonic or telegraphic radio, television tape recording or air-conditioning apparatus of any kind and manufactures of and dealers in scientific instruments and measuring instruments of any kind.
- (5) To carry on the business of manufacturers of and dealers in chemicals of any nature and kind what so ever and as wholesale or retail chemists, druggists, analytical or pharmaceutical chemists, drysalts, oil and colourmen, importers and manufacturers of and dealers in heavy chemicals alkalis, acids, drugs, tannins, essences, pharmaceutical, sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, soaps, cements, oils, fats, paints, varnishes, compounds, rubber chemicals or preparations, drugs, dyestuffs organic or mineral intermediates, paints and colour grinders makers of and dealers in articles of all kinds of electrical, chemical, photographic, surgical and scientific apparatus and materials and to manufacture, refine, manipulate, import and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.
- (6) To promote, establish, acquire and run or otherwise carry on the business of any plastic or rubber industry or business of manufacture of plastics or rubber materials for use in such industries or business such as wax, paper, bakelite, plywood, celluloid products, chemicals of all sorts and other articles or things and similar or allied products or processes and to sell, purchase or otherwise acquire or deal in materials or things in connection with such trade, industry or manufacture and to do all things as are usual or necessary in relation to or in connection with such business or industry or manufacture.
- (7) To carry on the business of garage proprietors, taxicab, omnibus and other public or private conveyance proprietors, motor car dealers, repairers and dealers in motor accessories of all kinds.
- (8) To buy sell, refine and deal in bullion, spice, coin, precious metals, and in goldware, silverware, filigree and other jewellery.
- (9) To carry on all or any of the business of proprietors of flats, maisonettes, dwelling houses, shops, offices and clubs and for these proposes to purchase, take on lease, or otherwise acquire and hold any lands or buildings of any tenure or description wherever situate, or rights or interest therein or connected therewith, to prepare building sites, and to construct, reconstruct, pull down, alter, improve, decorate, furnish and maintain flats, maisonettes,

dwelling houses, shops, offices, clubs, buildings, works and conveniences of all kinds; to lay out roads and pleasure gardens and recreation grounds; to plant, drain or otherwise improve the land or any part thereof.

- (10) To carry on the business of hotel, restaurant, cafe, tavern, beer-house, refreshment room, and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drink purveyors, caterers for public amusements.
- (11) To carry on all or any of the business of silk merchants, silk weavers, cotton goods, dealers, spinners, cloth manufacturers, furriers, haberdashers, hosiers, manufacturers, importers and wholesale and retail dealers of and in textile fabrics of all kinds, exporters, woolen goods dealers and manufacturers, dress makers, tailors, hatters, clothiers, general fitters, glowers, lace manufacturers, durrie and carpet manufacturers and dealers, feather-dressers, boot and shoe makers, manufacturers and importers or wholesale and retail dealers of and in leather goods, house hold furniture, iron, mongery, trunery, and other household effects and things and utensils, crockery, earthenware and cutlery articles, ornaments, stationery and fancy goods, dealers in provisions, confectionery, tea, coffee, spices, drugs, chemicals, bicycles, tricycles, perambulators and other articles and commodities of personal and household use and consumption and agents of any manufactures goods, materials, provisions and produce
- (12) To buy take on lease or under a license, concession and grant, or otherwise acquire any mines or mining rights in any land or other place and metaliferous land and any interest therein and to explore, work export, develop, turn to account the same.
- (13) To deal and sell iron, stone, bricks, earth, mica, lead, tin, copper, graphite asbestos and other material and mineral substances, and to manufacture and sell petrol, fuel, goods, by-products or other products.
- (14) To carry on the business of iron-founders, mechanical engineers machinists, manufacturers, dealers, importers and exporters of all kinds of implements, tools, gas, generators, engines, tyres, rubber goods, tubes, bodies, chassis, carbortors, magnets, silencers, radiators, sparking plugs, paraffin vaporizers, speedometers, self-starters, gears, wheels, parts and accessories of all kinds which may be useful for conductive to the carrying on of the business of the company.

Products Summary:

APLAB designs and manufactures high reliability back-up power systems. The brief products manufactured by APLAB are mentioned below:

➤ UPS Systems

- ✚ OnLine UPS (Extra Hi-Range)
- ✚ OnLine UPS (Hi-Range)
- ✚ OnLine UPS (Mid-Range)
- ✚ OnLine UPS (Low-Range)
- ✚ Industrial UPS
- ✚ Static Transfer Switch (STS)

- ✚ Frequency Converter
- ✚ Inverter & Ultra Isolation Transformer
- High Power DC Systems
 - ✚ Kilowatt DC Power Supply
- Solar Energy System
 - ✚ PV Panel/ Solar Array Simulator – SAS 120/10
 - ✚ Intelligent Energy Controller – IEC
- Power Supplies
 - ✚ High Power Programmable Power Supplies - VSP Series
 - ✚ GPIB Programmable Linear Power Supplies & Electronic Loads
 - ✚ Variable Output Linear Power Supplies - "LAB Series"
 - ✚ DC Lab Power Supplies "Tough Series"
 - ✚ High Voltage Variable Linear DC "LAB Series" Power Supplies
 - ✚ High Power 1200W TO 7200W DC/DC Converter Systems
 - ✚ AC-DC Switch Mode Power Supplies & Battery Chargers
 - ✚ Variable AC/DC Low Power Series
 - ✚ Fixed Output Linear Power Supplies
 - ✚ Switch Mode Inverter / Programmable AC Power Source
 - ✚ Stabilizer, Line Conditioner & Isolation Transformer
- Test & Measurement Instruments
 - ✚ Signal Sources & Generators
 - ✚ Signal / Function Generators
 - ✚ DDS Signal Generator
 - ✚ Arbitrary Waveform Generator
 - ✚ Pulse Generator
 - ✚ Analog Oscilloscopes
 - ✚ Digital Storage Oscilloscopes
 - ✚ Spectrum Analyzers
 - ✚ Counters & Timers
 - ✚ Multifunction Test Equipments
 - ✚ Communication & Signal Test Equipments
 - ✚ Optical Test Equipments
 - ✚ TDR (Time Domain Reflectometer)
 - ✚ Multimeters
 - ✚ Educational Trainers
 - ✚ Logic Analyzer
 - ✚ Audio Function Test Equipments
 - ✚ Component Testers
 - ✚ Accessories
- Power Energy Saver
- Laboratory Instruments
 - ✚ Melting Point Apparatus

Banking & Retail Automation Services

APLAB'S Intelligent Terminals Division designs and delivers Self Service Network Terminals for 24 hour use for the Banking and the Commercial Sectors. Our Company launched the division in 1993.

Further in 1993, APLAB introduced Teller Machines which delivers instant cash to bank customer besides offering various user-friendly on-line services. These XFS compliant ATMs use world famous De La Rue Dispensers and have unique VR software.

APLAB's also deal in CDT Range of Self-Service Cheque Deposit Terminals which are designed for commercial banks to provide customer friendly 24 x 7 service. CDT read MICR data, captures digital image of the deposited cheques, endorses and stacks them serially. It also gives a receipt to the depositor and transfers the captured data on line via Bank's Network for quick processing.

APLAB's provides Bill Payment Terminals e-payment Kiosk to Banking sector which are designed to read Bar Coded Utility Bills, accept payment with a personal cheque and present a receipt. These terminals have customer friendly interface through 15" Industrial TFT LCD with Touch Screen facility.

Design & Manufacturing Services

Since our inception, we have been serving the Global Market with wide range of Electronic Products meeting the International standards for safety and reliability such as UL, VDE etc.

Our outsourced manufacturing division helps global companies reduce production costs by working with them to produce their goods under their brand at our already well-equipped manufacturing plant at much lower costs.

While working with the clients, our inputs to re-engineer the designs are an added attraction for our European & American partners. While working with the clients, our inputs to re-engineer the designs are an added attraction for our European & American partners.

Our financial performance

Our financial performance for the six months period ended on December 31, 2020, FY 2019-20 and FY 2018- 19 is summarized below:

(in ` Lakhs)

Particulars	Nine-months ended on December 31, 2020	FY 2019-20	FY 2018-19
Revenue from operation	3280.24	5187.87	5352.99
EBITDA	359.53	752.04	1525.34
Profit after tax	(145.82)	25.79	590.14

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company's operations and business is vested in its Board of Directors (Board), which exercises its powers subject to our Articles of Association (AoA) and the requirements of applicable Indian laws. Pursuant to the Companies Act 2013 and Company's AoA, the Directors may be appointed by the Board or by shareholders in a general meeting. In accordance with Article 117 of our AoA, our Company is required to have not more than 11 directors. As on the date of this letter of offer, our Company has 4 Directors, consisting of 1 Executive Director, 1 Non-Executive Directors, including, and 2 Independent Directors. Our Board has 1 Woman Director. The present composition of the Board and its proceedings are in accordance with the Companies Act 2013 and the SEBI Listing Regulations.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer:

Sl. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Other directorships
1.	Mr. Prabhakar Shankar Deodhar Designation: Chairman & Managing Director Address: 13, Landmark, 175, Carter Road, Bandra, Mumbai – 400 050 Date of Birth: 25.09.1934 DIN: 00393117 Term: 3 years Occupation: Industrialist Nationality: Indian	86	<ul style="list-style-type: none"> • Print Quick Private Limited • Sebalab Electronics Private Limited • Mitramax Energy Private Limited • Origin Instrumentation Private Limited • Deodhar Electro Design Private Limited • Devize (India) Pvt Ltd
2.	Ms. Amrita Prabhakar Deodhar Designation: Director Address: 13, Landmark, 175, Carter Road, Bandra, Mumbai - 400 050 Date of Birth: 08.06.1945 DIN: 00538573 Term: Retire by rotation Occupation: Business Nationality: Indian	75	<ul style="list-style-type: none"> • Print Quick Private Limited • Origin Instrumentation Private Limited • Deodhar Electro Design Private Limited • Devize (India) Pvt Ltd • Sprylogic Technologies Limited
3.	Mr. Shailendra Kumar Hajela	85	<ul style="list-style-type: none"> • Thomason Alumni Consulting

	Designation: Director Address: 3, Bela Road, Civil Lines, Delhi – 110054 Date of Birth: 16.09.1935 DIN: 01001987 Term: 5 years Occupation: Retired Nationality: Dual Citizenship		Technocrats Limited <ul style="list-style-type: none"> • Telecel Communications Private Limited • Life Skills And Livelihood Skills - International
4.	Mr. Dinesh Kumar Amrutlal Kotecha Designation: Director Address: Amrut Krishnakunj, Bazar Peth Killa Road, Vasai Gaon Next to Gujarati College Bassein – 401 201 Date of Birth: 18.04.1958 DIN: 02115860 Term: 5 years Occupation: Chartered Accountant Nationality: Indian	62	Not Applicable

Relationship between Directors

Except **Mr. Prabhakar Shankar Deodhar** and **Ms. Amrita Prabhakar Deodhar**, none of the directors are related to each other.

Our Senior Management and Key Management Team

The following table sets forth certain details regarding the senior management and key management team (other than Directors) of our Company as on date of this Draft Letter of Offer:

Sr. No.	Name of person	Designation	Associated with Company Since
1.	Mr. Rajesh Kesrinath Deherkar	Chief Financial Officer and Company Secretary	2010
2.	Prabhakar Shankar Deodhar	Managing Director	Since Inception

Confirmations:

1. None of APLAB's Directors, is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.
2. None of APLAB's Directors, is or was a director of any listed company which has been or was delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

Service contracts with our Directors for benefits upon termination

No service contracts have been entered into by any Director with APLAB providing for benefits upon their termination of employment as of the date of this Letter of Offer.

Arrangement or understanding with major shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which APLAB has appointed a Director as of the date of this Letter of Offer.

SECTION VII – Financial Information

Sl. No.	Particulars	Page no.
1.	The review report and the unaudited financial results as at and for the quarter and nine months year ended December 31, 2020	59
2.	The auditors' report and the audited financial statements as at and for the year ended March 31, 2020	61

Aplab Limited A-5 Wagle Estate Thane 400604

CIN L99999MH1964PLC013018

Statement of Unaudited Financial Results for the Quarter & Nine Months Ended 31st December 2020

(Rs. in Lakhs)

Particulars	Quarter Ended			9 Months Ended		Year Ended Audited
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
	31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	
I INCOME						
Revenue From Operations	1,468.44	1,091.82	1,334.21	3,263.56	3,548.01	5,159.50
Other Income	4.80	6.60	8.55	16.68	21.53	28.37
Total Income (I+II)	1,473.24	1,098.42	1,342.76	3,280.25	3,569.54	5,187.87
II EXPENSES						
Cost of Materials Consumed	601.54	440.66	438.88	1,277.15	1,425.13	1,936.59
Employee Benefit Expenses	310.45	271.55	342.45	781.87	1,028.74	1,339.76
Finance Costs	158.29	167.06	149.87	477.36	468.83	621.00
Depreciation and Amortisation Expenses	7.20	10.07	22.38	27.99	70.28	102.25
Other Expenses	442.50	235.22	328.89	865.45	1,108.35	1,481.54
Total Expenses (IV)	1,519.97	1,124.57	1,282.47	3,429.81	4,101.34	5,481.14
III Profit / (Loss) before exceptional items and tax (I-II)	(46.73)	(26.14)	60.29	(149.57)	(531.79)	(293.27)
IV Exceptional Items	-	-	-	-	-	314.03
V Profit / (Loss) before tax (III-IV)	(46.73)	(26.14)	60.29	(149.57)	(531.79)	20.76
VI Tax Expense :						
(1) Current Tax						-
(2) Deferred Tax						-
VIII Profit / (Loss) after tax (V-VI)	(46.73)	(26.14)	60.29	(149.57)	(531.79)	20.76
VIII Other Comprehensive Income	1.25	1.25	12.00	3.75	36.00	5.03
A. (i) Items that will not be reclassified to Profit Or Loss						
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss						
B. (i) Items that will be reclassified to Profit or Loss						
(ii) Income Tax relating to items that will be reclassified to Profit or Loss						
	(45.48)	(24.89)	72.29	(145.82)	(495.79)	25.79
IX Total Comprehensive Income for the period						
X Earnings per equity share :						
(1) Basic	(0.91)	(0.50)	1.45	(2.92)	(9.92)	0.52
(2) Diluted	(0.91)	(0.50)	1.45	(2.92)	(9.92)	0.52

Notes :

- The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 12th February 2021.
- The Statement of standalone financial results has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15 dated 30th November, 2015 has been modified to comply with the requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to Companies that are required to comply with Ind AS.
- The company is operating in one segment only i.e. Manufacturing and Marketing professional electronic equipments.
- There were no complaints from investors that were unresolved as on 31st December 2020. During the Quarter under review the Company received no complaints from investors.
- The Auditors have expressed concern in their report for non payment of various liabilities on time. Attempts are being made to monetize the properties at various locations to repay the liabilities at the earliest.
- As per the directives of both the Central and State Government in the wake of COVID-19 Pandemic, the company had suspended operations across various locations with effect from 21st March, 2020, adversely impacting the business during nine months ended 31st December 2020. The company has been taking various precautionary measures to protect employees from COVID-19. The Company expects to recover the carrying amount of all its assets including inventories, receivables and loan in the ordinary course of business based on information available on current economic conditions. The company is continuously monitoring any material changes in future economic conditions. Operations are being resumed in a phased manner at various locations taking cognizance of the Governments views around resuming manufacturing activities with controlled entry and exit facilities along with necessary permission in this behalf.
- The manufacturing facility was operated at sub-optimal capacity for the quarter because of various logistic issues. As such performance of the quarter is not comparable QoQ and also YoY.

For & on behalf of the Board of Directors

Sd/-

P.S.Deodhar
Chairman and Managing Director

Thane
12-02-2021



For Aplab Limited

Rajesh K. Deherkar
Company Secretary &
Finance Controller



Puranik Kane & Co.
Chartered Accountants

Shop No. 3, MangalMurti Darshan C.H.S., Ganeshwadi, Panchpakhadi, Thane (w) - 400 602.

Limited Review report to the Board of Directors of Aplab Limited

We have reviewed the accompanying statement of unaudited financial results of Aplab Limited for the period ended 31st December, 2020. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We emphasize and draw attention to the following matters :

- a. The Company has incurred a loss of Rs.145.82 lakhs during the nine months period ending December, 2020. The Net Worth of the Company at this period ended has continued to remain negative due to carried forward losses of earlier years. This position depicts Company's difficulty, due to inadequate turnover, to generate adequate funds to repay all overdue debts with interest, make timely statutory payments, salaries & wages and provide adequate funds for its operations.
- b. The company has outstanding old statutory dues of TDS, PF, ESIC and separated employees Gratuity and other dues at the period end. Some of the separated employees have filed court cases against the company for recovery of their dues.




- c. We invite attention to Note No. 7 & 8 to the Standalone Financial Results regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and assessment made by the Management on its business and financials, including valuation of assets, Contractual and Contingent Liabilities for the period ended 31st December, 2020. This assessment and the outcome of the pandemic is as made by the Management and is highly dependent on the circumstances as they evolve in the subsequent periods and also they are highly uncertain. Uncertainties about severity and duration of the pandemic may impact reduction in carrying value of these financial assets, the financial position and going concern ability of the Company.

Our conclusion is not modified in respect of this matter.

UDIN : 21104076AAAABP7651

Puranik Kane & Co.
Chartered Accountants

Firm Regn No.: 120215W


Ashish Ashok Kane
Partner

Membership No. 104076



Date: 12-02-2021
Place: Thane

INDEPENDENT AUDITOR'S REPORT

To the Members of **Aplab Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the Standalone financial statements of Aplab Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Loss, Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements prepared by the Company give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and Profit, Changes in Equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has not worked out Impairment Loss nor made necessary provisions as required under Ind AS 36, in spite of continued losses resulting in negative Net Worth over the past 4 years.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a. The Company has incurred an operating loss of Rs. 293.27 lakhs during this year. The Company has accumulated losses and its net worth has continued to remain negative at Rs. 2638.44 lakhs at this year end. This Net Worth is after sale of two properties in the past 2 years with a net gain of Rs. 1389.05 lakhs. The Company during the year could not pay various statutory dues in time and the delay ranged between 2 to 12 months. The Unpaid Statutory Dues amounted to Rs. 221.66 lakhs and separated employee Unpaid Gratuity / other dues are Rs. 856.00 lakhs at the year end.

This situation has resulted in Company facing difficulty to generate adequate operational inflows to finance its activities and to continue as a going concern. The promoters have advanced substantial unsecured loans including unpaid interest of Rs. 2887.19 lakhs to sustain operations.

- b. We invite attention Management Note in the Standalone Financial Results regarding the uncertainties arising out of the outbreak of COVID – 19 pandemic and assessment made by the Management on its business and financials, including valuation of assets, Contractual and Contingent Liabilities for the year ended 31st March, 2020. This assessment and the outcome

of the pandemic is as made by the Management and is highly dependent on the circumstances as they evolve in the subsequent periods and also they are highly uncertain.

- c. The Company has not made any provision for Impairment in recovery from customers and inventory against customer specific orders. Uncertainties about severity and duration of the pandemic may impact reduction in carrying value of these financial assets, the financial position and going concern ability of the Company.
- d. Due to declaration of sudden shutdown (related to COVID- 19 pandemic) of Company Offices at March 2020 end, the year end System processes as laid down by the System Provider could not fully been carried out by the Company. Though necessary adjustments as suggested by the System Provider have been made by the Company, it is not possible to ascertain the impact, if any, it may still have on valuation of Inventory & Cost of Sales.
- e. Based on the opinion obtained by the Company, Income tax will not be attracted on Capital Gain from Sale of Thane Unit property due to unabsorbed carry forward losses. Therefore, no provision for tax is made by the Company.

Our opinion is not modified on the above matters.

Key Audit Matters

Key Audit Matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
There are various Key Audit Matters which were observed as most significant in our audit of Financial statements and specifically these are as under.:	<p>Our Audit Procedures on various areas in general primarily included :</p> <ul style="list-style-type: none"> • Obtaining an understanding of design, ERP system, processes and internal controls implemented by the management across its manufacturing & sales / service divisions, • Review of Company’s interaction with ERP System Administrators to assess the effectiveness of various process controls, • Testing IT and other controls for its completeness & accuracy of financial transactions, • Testing on a sample basis various types of transactions across business verticals & sales / service units. • Examination of system outputs, management reports, major contracts, sale deeds and obtaining necessary explanations / clarifications from the concerned officials <p>We give below how specifically each Key Audit Matter has been dealt with by us in our Audit :</p>
The Company has incurred an operating loss of Rs. 293.26 lakhs during this year. Since last 5 years company is incurring Operating losses. The Company has made a Profit during the year due to	We have analysed the major reasons which are contributing to the continued operating losses & those were high cost of debt, continuous decline in turnover and high fixed costs.

<p>certain exceptional items Rs. 314.02 lakhs, however, due to substantial accumulated losses, its net worth has continued to remain negative at the end of the year at Rs. 2638.44 lakhs.</p> <p>The Current Liabilities have exceeded Current Assets by Rs.4284.22 lakhs at the year end.</p>	<p>With retiring of some of the bank & other borrowings, company projects to save interest costs. This is in addition to Interest free unsecured loans advanced by one of the directors. As per presentation made by the Company in the Audit Committee Meeting and the Management Representation given to us, Company plans to increase the turnover as funds would be available through retiring of bank debts for its operations.</p> <p>However, the management could not exhibit these claims by way of projections.</p>
<p>During the year, the Company has executed sale deed for Thane Unit 1 for Rs. 3500 lakhs at a gain of Rs. 314.02 lakhs. Out of the sale proceeds, Rs. 2450 lakhs are outstanding to be received at Balance Sheet date.</p> <p>Company continued to occupy the said premises, pending receipt of balance funds. However, depreciation / amortisation has been claimed on Building & Land till date of sale. For all the other assets at this premises, the company being legal owner, claimed deprecation for the full year</p> <p>The Company has not made a provision for approximately Rs. 40 lakhs towards brokerage on sale. The above gain amount is sans this expenditure. The matching principle of accounting has not been followed.</p> <p>The Company has not made a provision for tax on this gain based on an opinion obtained from their tax consultants.</p>	<p>The sold property is the prime property being used by the Company as its headquarters and main manufacturing unit housing three business verticals. We have examined the property sale deed, other related sale documents.</p> <p>The Company has initiated necessary expansion work for relocating the headquarters and three mfg, units to its Unit at Digha, Thane. Once completed it will ensure that there will not be any hindrance to manufacturing operations.</p> <p>The gain on sale of Property has been considered as an Exceptional Item. This is a non-operational income generated having substantial impact on profitability of the company and therefore shown separately.</p> <p>Non provision items of brokerage & Income Tax has been highlighted to the Audit Committee. We also expressed our opinion regarding taxability of Capital gain to the committee.</p>
<p>Inventory includes Rs. 985.79 lakhs which is non-moving and may include some obsolescence. It includes un-reconciled and unconfirmed stocks worth Rs. 599.50 lakhs. The Company has valued entire old inventory at cost instead of least of Cost or NRV. (Refer Note no. 10).</p>	<p>We have analysed inventory records for past 3 years to ascertain its non-moving character as also the periodical physical verification records. In addition, we have obtained the saleability or usability of all such non-moving items from the company for terming the same as obsolete.</p> <p>The Company claims that there is no obsolescence in electronics industry as such items are required during servicing etc. and therefore valued inventory at Cost.</p> <p>However, based on the inventory records we have ascertained these as “Non-CurrentAssets”(Refer Note no. 10)</p>
<p>Receivables of Rs.386.37 lakhs are overdue for more than a year and include Rs. 315.62 lakhs over 3 years. These are not reconciled or confirmed by the parties. Some of these may have become doubtful or bad.</p>	<p>We have reviewed the status of subsequent realisation for the old debts. However, the Company has not made identification or provision for doubtful debts in the financial statements. However, based on these facts and records we have ascertained that these as “Non-CurrentAssets”(Refer Note no. 10)</p>
<p>The Company during the year could not pay</p>	<p>Interest on statutory unpaid dues has been</p>

<p>various statutory dues in time and the delay ranges between 2 to 12 months. Statutory Dues of Rs. 221.66 lakhs and separated employee Unpaid Gratuity / other dues are Rs. 856 lakhs are outstanding at the year end.</p> <p>The balance amount of matured Public Deposits including interest remaining unpaid is Rs.30.26 lakhs</p>	<p>computed and company has made a provision of the same in the financial statements. This computation has been verified by us.</p> <p>The Company has informed us that the pending public deposits are due to non receipt of necessary documents from policyholders. On receipt of the same, the payment is being made.</p>
<p>In spite of cash losses, Impairment of Assets has not been worked out or provided as required under IndAS36</p>	<p>The Company has not worked out this impairment and therefore we have reported this matter to the Audit Committee as well as qualified the opinion in our audit report</p>
<p>The Company has not funded Gratuity Policy to the extent of Rs. 851.35 lakhs. In addition, there are unpaid Gratuity and other dues of separated employees of Rs. 856 lakhs on the Balance Sheet date and includes some dues over 5years (Refer Note no.23). No interest has been provided on these outstanding.</p>	<p>The company has obtained Actuarial valuation of Employee Benefits (Gratuity) as per Ind AS 19 and made necessary provision in the financial statements.</p> <p>We have examined the employee data provided for this purpose as also sought clarifications on this valuation from the valuers.</p> <p>The management has stated that due to non availability of funds the policy could not be funded or liabilities paid. The liabilities are being paid as and when some funds are available.</p>
<p>We have observed that the related party transactions entered into by the company have not been adequately supported with documentation for determining with arm's length.</p>	<p>The company has mentioned that Board approval is being sought in this Board Meeting for entire year as well as omnibus approval will be taken for next year transactions within specified limits. This matter has been brought by us to the notice of Audit Committee.</p>
<p>The Company during the year could not fully reconcile some of the important accounts. These are receipts from debtors Rs. 772.79 lakhs, payments to creditors Rs. 236.78 lakhs, Inter unit transactions Rs. 594.11 lakhs and most of the other current assets & current liabilities accounts. In addition, GST, Excise, Service Tax & VAT liabilities have not been reconciled with the respective returns filed.</p>	<p>This matter has been reported by us to the Audit Committee.</p> <p>The Management in their Representation has stated that the company will reconcile these accounts on a priority basis.</p>
<p>The ERP System introduced during FY 2015-16 is not fully established or adequately tested for various reports and daybooks. Due to declaration of sudden shutdown (related to COVID- 19 pandemic) of Company Offices at March 2020 end, the year end System processes as laid down by the System Provider could not fully been carried out by the Company.</p>	<p>We have obtained necessary clarifications from the System Administrators to understand the issues in process completion / un-reconciliation aspects.</p> <p>The system data just before the lockdown was reviewed by the System Administrators and they suggested certain closing procedures. Though necessary adjustments as suggested by the System Provider have been made by the Company, it is not possible to ascertain the impact, if any, it may still have on valuation of Inventory & Cost of Sales</p> <p>For the interim system ledger accounts, we have relied upon the guidance given by the system</p>

	providers for giving necessary effects to certain financial transactions and Interim System Account balances. These were mainly in the areas of inventory and cost of sales.
--	--

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has not provided the impact of pending litigations in its financial statements. The total value of such litigations has been given in para vii(b) of the Annexure A to this report to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Rs. 0.03 lakhs are remaining to be transferred to the Investor Education and Protection Fund by the Company

For Shahade & Associates
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

Shubhada Shahade
Partner
M. No. 038342
UDIN :20038342AAAAAL9021

Place: Mumbai,
Date: 30th July, 2020

ANNEXURE - A

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of **Aplab Limited** for the year ended on 31st March 2020.)

- i. (a) The Company has maintained reasonable records showing particulars including quantitative details and situation of fixed assets. This record is reconciled with the Books of Account.
- (b) Physical verification of items of the fixed assets was not fully conducted by the management during the year as per the programme, however, we are informed that no material discrepancies were noticed in the completed verification. The verification results are being reconciled with Fixed Assets Register by the Company.
- (c) The Company has immovable properties of freehold and leasehold land and buildings and the original title deeds are given to the Banks as security against various loans obtained. The Company has copies of these title deeds and on examination of these copies and other documents, we observed that all the title deeds of the properties are held in the name of the Company or amalgamated subsidiary.
- ii. As explained to us, the inventory has been physically verified during the year by the Management at the various locations. In our opinion, the frequency of such verification needs to be substantially improved at regional offices. As informed to us, the discrepancies noticed in physical verification of inventory as compared to the book records were Rs.2586 lakhs at various locations and the Company is in the process of reconciling the same with the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans to the parties listed in the Register maintained under Section 189 of the Companies Act, 2013. Consequently, the requirements of Clause (a) to (c) are not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any Public Deposits during the year. In the past, the Company had taken public deposits, however, all these deposits have matured two years back. The Company is yet to repay matured Public deposits of Rs. 30.26 Lakhs including interest as on 31st March 2020, mainly due to non-receipt of necessary documentation from the deposit holders.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central government u/s 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the Cost records with a view to determine whether they are accurate or complete.

- vii. (a) According to the records of the Company and information and explanations given to us, the Company had not been regular in depositing statutory dues including Provident Fund, Employees State Insurance, TDS, GST, and other statutory dues with the appropriate authorities during the year, as there were cases of delay throughout the year. Total outstanding of all these statutory dues is Rs. 221.66 lakhs on the year end date. There are undisputed statutory dues of Rs. 151.28 lakhs outstanding as of March 31, 2020 for a period of more than six months since they became payable. The Company has not transferred necessary amount to Investor Education and Protection Fund as on Balance Sheet date.
- (b) As at the year-end, according to the records of the Company and information and explanations given to us, the following are particulars of disputed amounts on account of various Statutory Dues :-

Nature of Dues	Rs. in Lakhs	F.Y.	Forum where dispute is pending
Excise Duty	6.60	2012-13	Appeal Pending with Commissioner of Central Excise (Appeals) CBD Belapur
Excise Duty	3.53	2013-14	Appeal Pending with Asst. Commissioner of Central Excise (Appeals)
Excise Duty	3.81	2014-15	Appeal Pending With CESTAT
Sales Tax	6.11	2002-03	Dy. Commissioner Appeals, New Delhi.
Sales Tax	2.10	2003-04	Dy. Commissioner Appeals, New Delhi.
Sales Tax	2.18	2004-05	Joint Commissioner Appeals, New Delhi.
Sales Tax	3.48	2004-05	Joint Commissioner Appeals, New Delhi.
Sales Tax	0.83	2005-06	Additional Commissioner Grade II, Appeal III, Commercial Taxes (Lucknow)
Sales Tax	1.70	2006-07	Additional Commissioner Grade II, Appeal III, Commercial Taxes (Lucknow)
Sales Tax	1.09	2007-08	Additional Commissioner Grade II, Appeal III, Commercial Taxes (Lucknow)
Sales Tax	3.55	2008-09	Sales Tax Tribunal – Mumbai VAT
Sales Tax	109.15	2008-09	Sales Tax Tribunal – Mumbai VAT
Income Tax	7.28	2004-05	Additional Commissioner Grade II, Appeal filed with Tribunal Mumbai
Income Tax	125.40	2009-10	Additional Commissioner Circle 1, Thane
Income Tax	682.31	2010-11	Commissioner of IT Range 1
Income Tax	124.02	2011-	CIT II Thane

Nature of Dues	Rs. in Lakhs	F.Y.	Forum where dispute is pending
		12	
Total	1083.14		
Gratuity	Many separated employees have filed cases in District Court for non payment of their Gratuity dues. Though the Gratuity amount has been provided, there would be claims of Interest and other charges, amount could not be determined at this stage.		

- viii. The Company had taken Working Capital Loans from banks, but has not issued any debentures. During the year, Company defaulted as these loans accounts were overdrawn when compared with the drawing power. The details of these overdrawn amounts are as under:

Particulars	Amt of Default as on 31 st March 2020 Rs. in lakhs	Period of Default	Remarks
Corporation Bank – Working Capital & WDCL Loans	Cash Credit Rs 72.51 Lacs & WCDL Rs.181.76 lacs. (sum of overdrawn amount in various months)	This default is observed since last 4 years and in various months.	Default is the excess amount drawn over the Drawing Power each month. During the year, in most of the months the account was overdrawn. This was mainly due to monthly interest charged to these accounts.

- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the period.
- xi. The Company has employees covered under section 197 of the Act and the remuneration paid is below the limit specified under section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable
- xiii. The company takes approval of Audit Committee and Board of Directors for Related Party Transactions during the year. The company has mentioned that Board approval is being sought in this Board Meeting for entire year as well as omnibus approval will be taken for next year transactions within specified limits. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, for a few of the transactions with the related parties. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. During the period the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the period the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Shahade& Associates
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

ShubhadaShahade
Partner
M. No. 038342
UDIN :20038342AAAAAL9021

Place: Mumbai,
Date: 30th July, 2020

ANNEXURE - B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF APLAB LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Aplab Limited, as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control over financial reporting includes those policies and procedures that

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2020 :

- (a) The ERP system was not properly established and all periodical process are completed and appropriate reports not available leading to inherent weakness to obtain and test the desired level of internal financial controls.
 - (b) The Company did not have appropriate internal controls for periodic reconciliation of physical inventory with the inventory records, which may have resulted in misstatement of inventory values in the books of account.
 - (c) The consumption of material for production and other purposes is not reconciled with Cost of Goods sold as appearing in the ERP System, mainly due to lack of production batch closing procedures.
 - (d) The adequacy of internal financial control over Servicing and Rental of Machines Income is inadequate in terms of In Warranty & Out of Warranty / AMC billing, consumption of spares and its invoicing, follow up on renewals etc.
 - (e) Documentation for establishing arm's length pricing with related party transactions was found to be inadequate.
 - (f) Inadequate internal controls in recording of financial transactions including Bank and other account reconciliations
- .

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued

by the Institute of Chartered Accountants of India and except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For Shahade & Associates
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

Shubhada Shahade
Partner
M. No. 038342
UDIN : 20038342AAAAAL9021

Place: Mumbai,
Date: 30th July, 2020

Statement of Assets & Liabilities as at 31st March , 2020

Particulars	Note	As at 31/03/2020 RUPEES	As at 31/03/2019 RUPEES
ASSETS			
Non Current Assets			
Property, Plant and Equipment	5	355,90,771	412,14,971
Capital work-in-progress	5	359,35,722	234,75,415
Investment Properties	6	11,67,292	11,67,292
Other intangible asset	7	1,93,972	1,93,972
Financial Assets			
i) Investment	8A	2,36,150	2,36,150
ii) Other Financial Asset	8C	178,65,767	169,70,029
Non Current Tax Asset	9A	478,04,655	412,68,267
Deferred tax asset	9B	12,01,057	12,01,057
Other non-current asset	10	1301,41,423	1677,92,203
Total Non Current Asset		2701,36,810	29,52,17,469
Current Assets			
Inventories	10	1601,05,145	1302,81,319
Financial Assets			
i) Investments			
ii) Trade Receivables	10	1892,75,819	1922,44,958
iii) Cash and Cash Equivalents	11	355,04,493	358,14,657
iv) Bank Balances	12	3,035	3,035
v) Loans	8B	21,61,978	16,98,112
vi) Other Financial Assets			
Other Current Assets	13	27,80,05,609	471,46,213
Asset Classified as held for Sale	5	-	33,16,66,982
Total Current Asset		66,50,56,079	40,71,88,294
Total Assets		93,51,92,889	1,03,23,74,632
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	500,00,000	500,00,000
(b) Other Equity	14	(3138,44,005)	(3163,87,488)
Total Equity		(2638,44,005)	(2663,87,488)
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings			-
(ii) Other Financial Liabilities			
Provisions	14	110,00,000	75,00,000
Employee Benefit	14	945,58,221	917,12,961
Other Non-Current Liabilities			
Total Non Current Liability		1055,58,221	992,12,961
Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	7136,27,503	7019,17,667
(ii) Trade Payables	14	873,45,474	1076,02,201
(iii) Other Financial Liabilities			-
Provisions	14	38,00,000	35,00,000
Employee Benefit Obligation	14	880,08,239	831,83,152
Current Tax Liabilities (Net)			
Other Current Liabilities	14	2006,97,458	2083,46,140
Total Current Liabilities		1,09,34,78,673	1,10,45,49,159
Liabilities directly associated with assets classified as held for sale	15	-	950,00,000
Total Liabilities		1,19,90,36,894	12987,62,120
TOTAL EQUITY AND LIABILITIES		93,51,92,889	1,03,23,74,632

As per our report attached
For Shahade & Associates
Chartered Accountants
(Firm Reg.No.-109840W)

Shubhada Shahade
Partner
M No.038342
UDIN:20038342AAAAAL9021
Mumbai : 30th July , 2020

For and on behalf of the Board

Rajesh K Deherkar
Company Secretary & Finance Controller
Membership No. A10783

Thane : 30th July , 2020

P.S.Deodhar
Chairman and Managing Director
DIN : 00393117

Thane : 30th July , 2020

Statement of Profit & Loss Account for the year ended 31st March, 2020

Particulars	Note	Year ended 31-03-2020 RUPEES	Year ended 31-03-2019 RUPEES
INCOME			
I Revenue From Operations	16	5159,50,090	5321,41,451
II Other Income	17	28,37,315	31,57,556
III Total Income		51,87,87,405	5352,99,007
IV EXPENDITURE			
Cost of Materials Consumed	18	1936,58,686	2571,80,103
Employee Benefit Expenses	19	1339,75,795	1397,31,348
Finance Costs	20	6,21,00,471	806,45,449
Depreciation and Amortisation Expenses	21	102,24,673	128,74,908
Other Expenses	22	1481,54,331	1600,47,049
Total Expenditure		54,81,13,956	6504,78,857
V Profit / (Loss) before exceptional items and tax(III-IV)	-	(2,93,26,550)	(1151,79,850)
VI Exceptional Items		314,02,714	1818,18,655
VII Profit / (Loss) before exceptions items and tax(V-VI)		20,76,163	666,38,805
VIII Tax Expense:			
(1) Current Tax			125,00,000
(2) Deferred Tax			-
IX Profit / (Loss) for the period from continuing operations(VII-VIII)		20,76,163	541,38,805
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to Profit Or Loss		5,03,320	48,75,534
(i) Income Tax relating to items that will not be reclassified to Profit or Loss			
B. (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
XI Total Comprehensive Income for the period (IX+ X) comprising Profit/(Loss) and Other Comprehensive Income for the period		25,79,483	590,14,339
Earnings per Equity Share (Face Value of Rs. 10/- each)			
Basic		0.52	11.80
Diluted		0.52	11.80
The accompanying notes form an integral part of these financial statements	1 to 23		

As per our report attached
For Shahade & Associates
Chartered Accountants
(Firm Reg.No.-109840W)

Shubhada Shahade
Partner
M No.038342
UDIN:20038342AAAAAL9021
Mumbai : 30th July , 2020

For and on behalf of the Board

Rajesh K Deherkar
Company Secretary & Finance Controller
Membership No. A10783

Thane : 30th July , 2020

P.S.Deodhar
Chairman and Managing Director
DIN : 00393117

Thane : 30th July , 2020

Cash Flow Statement For the year ended 31st March 2020

	2019-20 RUPEES	2018-19 RUPEES
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	25,79,483	5,90,14,339
Adjustments For :		
Depreciation and Amortisation	1,02,24,673	1,28,74,908
Interest Expense	6,57,41,462	7,50,11,343
Unrealised Foreign Exchange (Gains)/Loss (net)		
Interest Income	(9,40,113)	(11,12,477)
(Profit)/Loss On Sale/Discard Of Property, Plant And Equipment (net)	(3,14,02,714)	(10,75,02,307)
Rent Income	(12,23,850)	(11,86,050)
Operating Profit before working capital changes	4,49,78,942	3,70,99,757
Adjustments for :		
(Decrease) / Increase in Working Capital	(24,43,94,358)	(1,39,39,939)
Cash generated from Operations	(19,94,15,416)	2,31,59,817
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16,07,154)	(11,57,602)
Capital Work in Progress	(24,29,930)	(1,52,77,777)
Sale of Fixed Assets	31,86,07,286	11,35,63,947
Proceeds from Sale Of Property, Plant & Equipment And Intangibles	3,14,02,714	10,75,02,307
Interest Received	9,40,113	11,12,477
Rent Received	12,23,850	11,86,050
Net Cash used in Investing Activities	34,81,36,879	20,69,29,402
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Borrowings	(8,32,90,165)	(16,52,22,520)
Prior Period Reversal		65,54,551
Interest Paid	(6,57,41,462)	(7,50,11,343)
Net Cash from Financing Activities	(14,90,31,626)	(23,36,79,312)
Net Increase / (Decrease) in Cash and	(3,10,164)	(35,90,092)
Cash Equivalent (A+B+C)		
Opening Balance of Cash and Cash Equivalent	3,58,17,692	3,94,07,784
	3,58,17,692	3,94,07,784
Closing Balance of Cash and Cash Equivalent	3,55,07,528	3,58,17,692
Net Increase / (Decrease)	(3,10,164)	(35,90,092)

Notes:

- 1) The above Cash Flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard Ind AS - 7 " Statement of Cash Flow "
- 2) Figures in brackets indicate outflow.

As per our report attached For
Shahade & Associates
Chartered Accountants
(Firm Reg.No.-109840W)

Shubhada Shahade
Partner
M No.038342
UDIN:20038342AAAAAL9021
Mumbai : 30th July , 2020

For and on behalf of the Board

Rajesh K Deherkar
Company Secretary & Finance Controller
Membership No. A10783

Thane : 30th July , 2020

P.S.Deodhar
Chairman and Managing Director
DIN : 00393117

Thane : 30th July , 2020

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

1. Corporate information

Aplab Limited is a public limited company domiciled and incorporated in India having its registered office at Aplab House, A-5, Wagle Estate, Thane 400 604. The Company's equity shares are listed and traded on BSE Limited. The Company is engaged in the manufacturing & marketing of Professional Electronic Equipment business.

2. Application of new and revised Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2.1 Standards/Amendments issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively.

3. Significant accounting Policies

3.1 Statement of Compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The date of transition to Ind AS is April 1, 2016. Refer note 3.19 for details of first time adoption mandatory exceptions and optional exemptions availed by the Company. Previous period figures in the financial statements have been restated in compliance with Ind AS. Up to the year ended March 31, 2017, the Company had prepared its financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The financial statements are presented in Indian Rupees and all values are rounded to the nearest rupee except otherwise stated.

Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

3.3 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

3.4 Revenue Recognition

- Sales are recognized when risks and rewards (transfer of custody of goods) are passed to customers and include all statutory levies except Value Added Tax (VAT) and discounts.
- Service Income resulting from achievement of milestone events stipulated in agreements is recognized when the milestone is achieved. Milestones are based on the occurrence of a substantive element specified in the contract or as a measure of substantive progress made towards completion under the contract.
- Dividend income is recognized when the right to receive the dividend is established.
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition).
- For non financial assets, interest income is recognized on a time proportion basis.
- Revenue from sale of scrap is recognized when risks and rewards (transfer of custody of goods) are passed to customers.
- Revenue in respect of Liquidated Damages from contractors/ suppliers is recognized when determined as not payable.

3.5 Leases

- Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- Leasehold lands where the ownership of the land will not be transferred to Company at the end of lease period are classified as operating leases. Upfront operating lease payments are recognized as prepayments and amortized on a straight-line basis over the term of the lease. Leasehold lands are considered as finance lease where ownership will be transferred to the Company at the end of lease period. Such leasehold lands are presented under property, plant and equipment and not depreciated.

3.6 Foreign currencies

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates. Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using closing exchange rate prevailing on the last day of the reporting period.

3.7 Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged in the statement of profit and loss.

3.8 Employee Benefits

Employee benefits include provident fund, gratuity fund, compensated absences and resettlement allowances.

3.9 Defined contribution plans

Employee benefit under defined contribution plans comprising of provident fund is recognized based on the amount of obligation of the Company to contribute to the plan. The same is paid to a Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.

Defined benefit plans

Defined retirement benefit plan of gratuity is recognized based on the present value of defined benefit obligation and is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognized in the statement of profit and loss except those included in cost of assets as permitted. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding

net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss. The Company contributes all ascertained liabilities with respect to Gratuity to the Life Insurance Corporation of India.

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 recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax

is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred taxes are recognized in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

Current and deferred tax for the year

Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.11 Property, Plant and Equipment(PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses if any. Freehold land is not depreciated.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. It includes professional fees and borrowing costs for qualifying assets capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value as assessed by management and subsequent capital expenditure on Property, Plant and Equipment are accounted for as separate components.

PPE are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using Straight Line Method, over the useful life of component of various Assets as specified in Schedule II to the Companies Act, 2013.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding Rs.5,000/-

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant and equipment is derecognized upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.12 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses if any.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Computer software	3-10
2.	Licence and franchise	2-10

3.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of

transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.14 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of purchase cost and other costs incurred in bringing inventories to their present location and condition. The cost has been determined as under:

Raw material	Weighted average cost basis.
Finished products	Raw material and Conversion cost
Stock-in-process	Raw material and Proportionate Conversion cost.
Stores and spares	Weighted average cost basis.

3.15 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.16 Financial Instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.17 Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

- **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

- **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial

assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

- **Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

- **De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Profit and Loss.

3.18 Insurance Claims

In case of total loss of asset, on intimation to the insurer, either the carrying cost of the asset or insurance value (subject to deductible excess) whichever is lower is treated as claims recoverable from insurance company. In case insurance claim is less than the carrying cost

of the asset, the difference is charged to statement of profit and loss.

In case of partial or other losses, expenditure incurred / payments made to put such assets back into use, to meet the third party or other liabilities (less deductible excess) if any, are accounted for as claims receivable from insurance company. Insurance Policy deductible excess are expensed in the year in which corresponding expenditure is incurred.

As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from insurance company and claims received is adjusted to statement of profit and loss.

All other claims and provisions are booked on the merit of each case.

3.19 First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS, as of April 1, 2016 (the 'transition date') by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS, as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

- **De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016.

- **Business combinations**

The Company has selected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

- **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of amortized cost criteria based on the facts and circumstances that existed as of the transition date.

- **Impairment of financial assets**

The Company has applied impairment requirement of Ind AS 109 prospectively from the transition date.

- **Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of April 1, 2016 measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

- **Non-current assets held for sale**

The Company has measured non-current assets held for sale at the lower of carrying value and fair value less cost to sell at transition date in accordance with Ind AS 105.

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, employee benefit obligations, provision for income tax and measurement of deferred tax assets.

4.1 Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

- **Useful lives of property, plant and equipment and intangible assets**

Management reviews its estimate of the useful lives of PPE and intangible assets at each reporting date, based on the future economic benefit expected to be consumed from the assets.

- **Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

- **Provision for income tax**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

- **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties.

4.2 Impact of COVID-19 (Global Pandemic)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and inventories. In developing the assumptions relating to the possible future uncertainties in the global and domestic economic conditions because of this pandemic. The company, as at the date of approval of these financial statements expects the carrying amount of these assets are fully recoverable.

Note5

Property, Plant and Equipment

Particulars	Leasehold	Factory	Residenti	Office	Plant	Electrica	Furnitu	E.D.P.Syste	Vehicles	Total	Capital
Year Ended 31st March 2020	Buildings	al Premises	Premises	and Machinery	l Installations	re and Fixtures	ms/Computers				WIP
Gross carrying amount on April 2019	37,01,45,465	8,55,07,345	7,43,670	83,85,625	2,95,83,637	1,53,62,574	7,28,38,903	3,66,83,208	89,85,572	62,82,35,999	2,34,75,415
Deemed cost											
Additions					22	36,456		1,98,676	13,72,000	16,07,154	24,29,930
Assets included in a Investment property group	6,61,009	23,34,843								29,95,852	
Disposals	35,10,25,772		-	-	-	-	-	-	-	39,16,77,280	
		4,06,51,508									
Closing Gross Carrying amount(A)	1,91,19,693	4,48,55,837	7,43,670	83,85,625	2,95,83,659	1,53,99,030	7,28,38,903	3,68,81,884	1,03,57,572	23,81,65,872	2,59,05,345
Accumulated Depreciation	4,16,80,403	5,88,03,924	3,14,381	30,79,243	2,73,80,273	1,22,00,175	6,67,52,524	3,57,22,124	80,59,735	25,39,92,782	
Depreciation charge during the year	5,89,902	13,95,745	11,775	1,32,744	4,81,875	5,92,164	5,50,575	3,31,438	1,28,178	42,14,396	
Assets included in a Investment property group	79,707	17,48,850								18,28,557	

Notes:

- These leasehold lands are considered as finance lease in nature as the ownership will be transferred to the Company at the end of the lease period. Being mortgaged with banks, all the original documents are in custody of banks.
- Property, Plant and Equipment mortgaged as security.
- Working Capital financial assistance availed from Union Bank of India (formerly Corporation Bank) is secured by first charge over immovable property, plant and equipments and movable property, plant and equipments both present and future. Working Capital borrowings from banks are secured by way of hypothecation of company's stock of raw material, finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second charge over company's movable and immovable property, plant and equipments both present and future.
- Properties at Plot Nos. A-1, A-3, A-5 and A-6 at Thane are being sold. Agreement with the respective purchasers are executed. Depreciation is charged on other properties.
- The Company has elected to continue with the carrying value of its property, plant and equipments recognized as of 1st April, 2016 measured as the previous GAAP and used the carrying value as its deemed cost as on the transition date as per Indian AS 101, first time adoption of Indian Accounting Standards.

- f) CWIP represent ongoing construction costs at Digha. No depreciation has been charged during the construction period.

Notes to Financial Statement

(Amount in Rs.)

As At 31-03-2020

As At 31/03/2019

Note 6 Investment Properties

(Properties given on Rent / Lease)

Gross carrying amount

29,95,852

29,95,852

Additions

-

-

Closing Gross Carrying amount

29,95,852

29,95,852

Accumulated Depreciation

Opening accumulated depreciation

(18,28,559)

(17,52,365)

Depreciation charge during the year

(35,344)

(76,194)

Closing accumulated depreciation

(18,63,903)

(18,28,559)

Net Carrying amount

11,31,949

11,67,292

Note

Value of Properties given on rent to related party has been computed on area occupied basis.

Note 7 Intangible assets

Gross carrying amount

Deemed cost

64,57,650

64,57,650

Closing Gross Carrying amount

64,57,650

64,57,650

Accumulated amortization

62,63,678

62,63,678

Amortization charge during the year

62,63,678

62,63,678

Closing accumulated depreciation

1,93,972

1,93,972

Net Carrying amount

Note

Intangible assets represents software capitalised.

Note 8 Financial Asset

8A Non current investment

Investment in Equity Instruments(fully paid-up)

Quoted

4,700 equity Shares of Bank of Maharashtra

(A)

1,08,100

1,08,100

Equity investments at FVOCI

Unquoted

2000 Ordinary Shares of Saraswat Co-Op Bank Ltd.

20,000

20,000

1001 Ordinary share of The Thane Janata Sahakari Bank Ltd

50,050

50,050

(B)

70,050

70,050

Notes to Financial Statement

(Amount in Rs.)

	As At 31-03-2020	As At 31/03/2019
Investment in Government Securities		
National Savings Certificate (Deposited with various Government Authorities)	58,000	58,000
Out of above, NSC worth Rs. 58,000/- are matured		
	(C)	
	58,000	58,000
Total(A+B+C)	2,36,150	2,36,150

- a) The Company has elected to continue with the carrying value of its investments recognized as of 1st April, 2016 measured as per the previous GAAP and used the carrying value as its' deemed cost as on the transition date as per Ind AS 101" first time adoption of Indian Accounting Standards" (refer Note No.3.19).
- b) Market value of shares of Bank of Maharashtra is Rs. 41,877/- (p.y. Rs. 64,343/-) diminishing value of investment not provided being traded shares.
- c) Unquoted shares are stated at cost.
- d) National Saving Certificates are matured pending realization.

8B Loans

Unsecured, considered good

Loan to employees	21,61,978	16,98,113
Total	21,61,978	16,98,113

Note

Loans are interest free hence not amortised but stated at cost.

8C Other Financial Assets

Security deposits	178,65,767	169,70,029
	178,65,767	169,70,029

Note

Security deposits are interest free hence not amortised but stated at cost.

Note 9A Tax assets /Liabilities

Tax assest(a)		
Advance tax	1426,56,507	1361,20,119
Tax liabilities(b)		
Income tax	948,51,852	948,51,852
Total (a-b)	478,04,655	412,68,267

Note This tax asset does not include any tax paid under dispute

Notes to Financial Statement

(Amount in Rs.)

	As At 31-03-2020	As At 31/03/2019
Note 9B Deferred Tax Assets /(Liabilities)		
Deferred Tax Assets	12,01,057	12,01,057
	12,01,057	12,01,057

Note

In view of current year loss and carried forward business losses deferred tax assets has not been recognised.

Note 9C Non Current Assets

(Unsecured, considered good, except otherwise stated)

Inventory	9,85,79,295	13,96,22,240
Trade Receivables	3,15,62,128	2,81,69,963
	13,01,41,423	16,77,92,203

Note 10 Inventories

Rawmaterial	1049,58,267	1363,55,969
Work in progress	542,52,887	439,25,558
Finished goods	994,73,286	896,22,032
Total	2586,84,440	2699,03,559
Non Current	985,79,295	1396,22,240
	1601,05,145	1302,81,319

Note

- As per records maintained, physically verified and valued lower of cost or market value and certified by the Management.
- Non Current inventory includes over three years and items under reconciliation.
- Management is in the process of technical evaluation to identify obsolescence.

Trade Receivable

Trade Receivable	21,96,52,155	21,93,63,529
Receivable from related parties	11,85,792	10,51,392
Total	22,08,37,947	22,04,14,921
Non Current	3,15,62,128	2,81,69,963
Total	18,92,75,819	19,22,44,958

Note

- Trade receivables are unsecured, considered good and subject to confirmation and reconciliation.
- Recoveries are not always as per agreed credit terms however no interest is collected on delayed collection.
- Non current receivables include bills remain uncollected over three years, unreconciled balances and disputed LDs.
- No provision has been made for doubtful debts in view of the continued efforts of recovery.

Notes to Financial Statement

(Amount in Rs.)

	As At 31-03-2020	As At 31/03/2019
Note 11 Cash and cash Equivalents		
Balances with Bank		
Current account	235,94,624	161,43,978
Bank deposits	114,36,993	192,96,937
cash on hand	4,72,876	3,73,742
Total	355,04,493	358,14,657
Note		
a) Bank deposit included Rs. 1,13,30,320/- having maturity between 3 to 12 months. (p.y. Rs. 1,92,96,937/-)		
b) All the bank deposits are under lien for bank guarantees availed by the company		
Note 12 Bank balances		
Dividend bank account balance	3,035	3,035
Total	3,035	3,035
Note 13 other current asset		
Advances to others	105,37,506	2,63,63,593
Advances to suppliers	33,52,059	15,23,030
Receivable for Sale of Thane Unit I	2450,00,000	
Taxes recoverable	191,16,045	192,59,590
Total	27,80,05,610	471,46,213
Note		
The taxes paid / recoverable are not adjusted against liability pending reconciliations with returns filed.		
Note 14 SHARE CAPITAL		
Authorised:		
100,00,000 (March 31, 2020, 100,00,000) Equity Share of Rs. 10 each	1000,00,000	1000,00,000
Issued:		
50,00,000 (March 31, 2020, 50,00,000) Equity Share of Rs. 10 each	500,00,000	500,00,000
Subscribed and Paid up:		
50,00,000 (March 31, 2020, 50,00,000) Equity Share of Rs. 10 each	500,00,000	500,00,000
	500,00,000	500,00,000

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. There is no change in share capital of the Company during the year.

Each shareholder is eligible for one vote per share held.

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.

Notes to Financial Statement

(Amount in Rs.)

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at 31-03-2020 No. of shares	As at 31-03-2020 % of shares	As at 31-03-2019 No. of shares	As at 31-03-2019 % of shares
Prabhakar Shankar Deodhar	5,77,152	11.54	5,77,152	11.54
Amrita Prabhakar Deodhar	12,17,564	24.35	12,17,564	24.35
Zee Entertainment Enterprises Ltd.	4,75,000	9.50	4,75,000	9.50
Balram Bharwani	4,57,460	9.15	4,57,460	9.15

Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Total
Balances at 1st April, 2019	342,83,549	1291,81,200	1,08,011	1276,30,982	(6075,91,230)	(3163,87,488)
(Loss) / Profit for the year					25,79,483	
Other comprehensive Income			36,000			
Balances as at 31st March, 2020	342,83,549	1291,81,200	72,011	1276,30,982	(6050,11,747)	(3138,44,005)

Note:

- Capital reserve was created due to difference in fair value on merging of subsidiary, pursuant to Mumbai High Court order.
- Share Premium Reserve was created while making preferential allotment of shares during year 2000

Borrowings

	As At 31-03-2020	As At 31-03-2019
Secured		
Bank Cash Credit cum Working Capital Demand Loan	2832,28,484	2858,14,723
Bank bill discounting	1099,94,541	1099,52,502
Unsecured		
Loan from Director	2887,19,372	2754,43,479
Intercompany Deposits	62,00,000	62,00,000
NSIC line of credit	254,85,106	245,06,963
Total current borrowings	7136,27,503	7019,17,667

Notes to Financial Statement

(Amount in Rs.)

Note :

Cash credit cum Working Capital Demand Loan

- 1) From Corporation Bank Secured by hypothecation of all stocks and book debts and further secured/ to be secured by Second charge on Land & Buildings at Thane, Digha and Bangalore.

Rate of Interest 13.10%p.a. as per sanction letter

- 2) Local Bills Discounting Secured by Bills discounted with Corporation Bank Rate of Interest 13.10%p.a. as per sanction letter
- 3) Interest on unsecured loan from another Director is @ 10% and 13%.
- 4) Unsecured Loan from one of the Director is interest free

Provision	31-03-2020		31-03-2019	
	current	non current	current	non current
Service Warranties	38,00,000.00	110,00,000.00	35,00,000	75,00,000
Total	38,00,000.00	110,00,000.00	35,00,000	75,00,000

Note :

Service Warranties are computed on the applicable turnover, estimated warranty expenses and warranty period.

Trade payable 31-3-2020

As At

As At 31-3-2019

Trade payable

873,45,474

1076,02,201

Note

- a) Trade payable are after netting unadjusted payment of Rs.242,05,912/-
- b) Vendors are generally giving credit in the range of 30 to 90 days.
- c) These are unsecured.
- d) No payable belong to Micro, Medium & Small industries as per responses received.

Employee Benefit provisions

	As At 31-3-2020		As At 31-3-2019	
	Current	Non current	Current	Non current
Leave obligations	28,70,992	137,88,684	34,03,450	130,62,422
Gratuity	43,66,344	807,69,537	42,26,536	786,50,539
Other employee liability	807,70,903	-	755,53,166	-
Total	880,08,239	945,58,221	831,83,152	917,12,961

Note :

Employee benefits provisions are made as per Ind AS Actuarial valuation Other liability comprises of amounts owed to separated employees

Notes to Financial Statement

(Amount in Rs.)

Other Current liabilities

	As At 31/03/2020	As At 31/03/2019
Advance from customer	770,58,210	1065,82,711
Statutory taxes payable	635,99,694	419,36,010
Other Liabilities	600,39,553	598,27,419
Total	2006,97,457	2083,46,140

Note - The taxes paid/recoverable are not adjusted against liability, pending reconciliations with returns filed.

Note 15 31-12-2020

Liabilities directly associated with Assets classified as held for sale

	As At	As At 31/03/2019
Advance received for Thanepremises		950,00,000
Total	-	950,00,000

2019-20	2018-19
---------	---------

Note 16

Revenue from Operations

Sale of Products	3817,32,912	3984,45,805
Net Sales	3817,32,912	3984,45,805
Income from Services	1342,17,177	1336,95,646
Total	5159,50,090	5321,41,451

Note 17

Other Income

Interest on Bank Deposits	9,40,113	11,12,477
Miscellaneous Receipts	6,73,353	8,59,029
Rent Received	12,23,850	11,86,050
Profit / (Loss)on Sale of Assets	314,02,714	1075,02,307
Provision No Longer Req.	-	575,97,077
Excess Provision of Gratuity Reversal	-	190,38,448
Prior period interest claim acknowledged		-23,19,177
Total	342,40,029	1849,76,212

Notes to Financial Statement

(Amount in Rs.)

	2019-20	2018-19
Note 18		
Materials Consumed		
Material Consumed	1936,58,686	2571,80,103
Total	1936,58,686	2571,80,103
Note 19		
Employee Benefit Expenses		
Salaries, Wages and Bonus	1062,52,735	1139,40,216
Contribution to Provident and Other Funds	84,81,186	89,47,046
Gratuity	151,17,085	120,97,124
Staff Welfare Expenses	41,24,789	47,46,962
Total	1339,75,795	1397,31,348
Note 21		
Depreciation & Amortization expenses	102,60,673	129,10,908
Less : Transferred from Revaluation Reserve	36,000	36,000
	102,24,673	128,74,908
Note 20		
Finance Cost		
Interest on Fixed Period Loans	6,21,702	102,23,871
Interest on Other Loans/Deposits	651,19,760	647,87,472
Bank Charges	35,42,467	54,00,026
Exchange Variation (gain) / Loss - net	-6,59,077	2,34,079
Total	686,24,852	806,45,449

Notes to Financial Statement

(Amount in Rs.)

	2019-20	2018-19
Note 22		
Other Expenses		
Labour Charges	422,90,673	408,84,013
Rates and Taxes	37,32,675	37,64,751
Power and Electricity	89,97,903	93,13,885
Insurance Charges	5,15,438	8,15,130
Repairs to Plant and Machinery	46,057	53,022
Repairs to Factory Building	60,893	5,69,369
Miscellaneous Work Expenses	65,80,447	58,76,129
Rent for Office/Residential Premises	79,65,025	80,66,750
Printing and Stationery	13,94,455	15,24,139
Postage and Telephones	40,48,511	41,13,556
Travelling and Conveyance	160,26,087	169,35,963
Vehicle Expenses	6,82,984	8,46,684
Legal and Professional Charges	226,64,947	425,81,161
Transport Outward and Other Charges	166,55,652	194,30,850
Sales Tax, Purchase Tax	13,39,829	1,52,073
Office Maintenance Charges	19,24,773	16,86,578
Repairs and Maintenance - Other Assets	17,79,780	8,64,891
Miscellaneous Expenses	23,37,799	19,47,520
Bad Debts and Other amounts written off / back	25,86,020	6,20,584
Total	1416,29,950	1600,47,049

Notes to Financial Statement

(Amount in Rs.)

ADDITIONAL NOTES: 23

1. Auditor's Remuneration:

Particulars	2019-20 Rs.	2018-19 Rs.
Audit Fees	9,00,000	8,50,000
Limited Review, Corporate Governance and other certification	3,00,000	50,000
Total	12,00,000	9,00,000

2. Suppliers/Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is given to the extent available:-

Sr. No.	Particulars	2019-20 Rs.	2018-19 Rs.
(i)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	NIL	NIL
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
(v)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	NIL	NIL

3. Foreign Exchange Earnings and Expenditure:

Sr. No.	Particulars	2019-20 Rs.	2018-19 Rs.
4.1	Value of Imports calculated on CIF basis		
	Components and Spares & Outsourced Items Capital	3,37,34,499	2,94,48,664
	Goods	NIL	NIL
	Others	NIL	NIL
4.2	Earnings in foreign Exchange: FOB		
	Value of Exports	3,62,44,920	4,11,92,731
	Other Charges	NIL	NIL
4.3	Expenditure in foreign Currency	NIL	NIL

- None of the items in raw material individually accounts for 10% or more of the total value of material consumed. In the absence of verifiable records the Auditors have relied upon the management's representation of this behalf.

5. Additional Information of Note No.18:

- Value of Raw Material and Components consumed:

Particulars	2019-20		2018-19	
	Rs	Percent	Rs.	Percent
Imported	337,34,499	29.05	2,94,48,664	17.16
Indigenous	823,73,586	70.95	14,21,71,175	82.84
Total	11,61,08,085	100.00	17,16,19,839	100.00

- Value of Stores and Spares consumed:

Particulars	2019-20		2018-19	
	Rs.	Percent	Rs.	Percent
Imported	-	-	-	-
Indigenous	45,81,555	100.00	65,95,090	100.00
Total	45,81,555	100.00	65,95,090	100.00

(iii) Total value of Material consumption:

Sr. No.	Particulars	2019-20 Rs.	2018-19 Rs
1.	Raw Material	11,61,08,085	17,16,19,839
2.	Store & Spares	45,81,555	65,95,090
3.	Outsourced Items	7,29,69,046	7,89,65,175
	Total Material Consumption	19,36,58,686	25,71,80,104

Notes to Financial Statement

(Amount in Rs.)

6. Contingent Liabilities:

Sr. No.	Particulars	2019-20 Rs.	2018-19 Rs.
1.	Disputed Tax / Duty demands not provided for	10,83,14,350	10,83,14,350
2.	Bank guarantees given on behalf of Company to third parties	9,31,97,190	9,70,39,997
3	Cases filed by separated employees for their unpaid gratuity includes recovery on interest on delayed payment.	Interest amount not ascertained.	

7. Employee Benefit:-

The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the company during the tenure of their employment are entitled to receive leave encashment in excess of 60 days leave to the credit of their account as on 1st January every year. The benefit of Gratuity is funded defined benefit plan. For this purpose of Company has obtained a qualifying Insurance policy from LIC of India, however the same is not refunded by the Company.

Particulars	Gratuity (Funded)	
	31/03/2020 Rs.	31/03/2019 Rs.
The major categories of plan assets as a percentage of total plan		
Qualifying Insurance Policy No.	611868	611868
Changes in the present value of the obligation *		
1 Opening Present Value of obligation	8,33,73,029	11,35,30,958
2 Interest Cost	56,46,659	76,26,562
3 Current Service Cost	40,46,465	44,70,562
4 Past Service Cost		0
5 Benefits Paid	(69,30,998)	(70,21,874)
6 Benefits Payable	0	(3,03,93,530)
7 Actuarial (gain) / Loss on Obligation	(5,03,320)	(48,75,534)
8 Closing Present Value of Obligation	8,51,35,881	8,28,77,075
Changes in the Fair Value of Assets (LIC Policy)		
1 Opening Fair Value of plan Assets	4,95,954	4,60,069
2 Expected Return on Plan Assets	0	0
3 Contributions	0	0
4 Benefits Paid	0	0
5 Actuarial Gain/(Loss) [Interest Credited for the year]	35,709	35,525
6 Closing Fair value of plan assets	5,31,663	4,95,594
Profit & Loss – Expenses *		
1 Current Service Cost	40,46,465	44,70,562
2 Interest Cost	56,46,659	76,26,562

Particulars	Gratuity (Funded)	
	31/03/2020 Rs.	31/03/2019 Rs.
3 Expected Return on Plan assets	0	0
4 Net Actuarial gain (loss) recognized in the year	(5,03,320)	(48,75,534)
5 Past Service Cost	0	0
6 Expenses Recognized in the Profit & Loss Account	91,89,804	72,21,590
Actuarial Assumptions *		
1 Discount Rate	6.45%	7.20%
2 Expected Rate of Return on Plan Assets	6.45%	7.20%
3 Expected Rate of Salary Increase	6.00%	6.00%
4 Attrition Rate	1 to 3%	1 to 3%
5 Mortality Post-retirement	Indian Assured Lives Mortality	Indian Assured Lives Mortality
To be added in Previous year & Current year	(2012-2014) Table	(2006-08) Table

As per Actuarial Valuation Report.

Actuarial Assumptions for Gratuity of Past 5 years

Sr. No.	Particulars	31/03/2020	31/03/2019	31/03/2018	31/03/2017	31/03/2016
1.	Discount Rate (p.a.)	6.45%	7.20%	7.30%	6.80%	7.90%
2.	Expected rate of return on Asset (p.a.)	6.45%	7.20%	7.30%	6.80%	7.90%
3.	Expected Rate of Salary Increase *6%	6.00%	6.00%	6.00%	6.00%	6.00%

Defined Benefit Plan for 5 years:

Net Asset (Liability) as per actuarial valuation given by the Actuary.

Sr. No	Particulars	31/03/2020	31/03/2019	31/03/2018	31/03/2017	31/03/2016
1	Present value of obligation As at the close of the year.	8,56,67,544	8,33,73,029	11,35,30,958	10,78,83,260	10,58,62,890
2.	Fair value of plan asset as at the close of the year	5,31,663	4,95,954	4,60,069	4,27,375	3,94,804
3.	Asset / (Liability) recognized in the Balance Sheet	0	0	0	0	0
Change in the Fair Value of Plan Asset						
	Actuarial Gain / (Loss)	-	-	-	-	-
Change in the Fair Value of Plan Asset						
	Actuarial Gain / (Loss)	(5,03,320)	(48,75,534)	(92,16,869)	(1,11,90,050)	(1,29,34,550)

Note: Negative Amounts are shown in bracket.

8. Segment Reporting (Accounting Standard- As17):

The Company is engaged in business / operations of manufacture, sale and servicing of professional electronic equipment. Though the Company has a range of products, they all fall within the single segment of electronic equipment. It is considered view of the management that the Company has no reportable segments envisaged in the accounting standard (AS17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.

9. Related Party Disclosure (Accounting Standard AS18):

List of Related Parties and Relationship

Associates: (enterprise where Aplab Limited and its subsidiaries have 20% holding or, investing parties who have over 20% holding in Aplab Limited)

Zee Entertainment Enterprises Ltd (Formerly Zee Telefilms Ltd) During

previous year the holding was reduced below 20% **Key**

Management Personnel:

Mr. P. S. Deodhar	Chairman & Managing Director
Mrs. Amrita Deodhar	Director
Mr. Rajesh Deherkar	Company Secretary and Finance Controller

Relatives of Key Management Personnel:

Mr. Nishith Deodhar Mrs.
Aruna Narayanan

Enterprises over which key management personnel and their relatives are able to exercise significant influence

Sr. No	Name of the Party
1	Deodhar Electro Design Pvt. Ltd
2	Intel Exports Corporation
3	Telemetric Equipments Pvt. Ltd
4	Print Quick Private Limited
5	Origin Instrumentation Private Limited
6	Contech Soft-Tech Solution Pvt. Ltd
7	Telematra Systems Pvt. Ltd
8	Mitramax Energy Pvt. Ltd
9	Spylogic Technologies Ltd

The following transaction were carried out with the related parties in the ordinary course of business

Nature of Transaction	Subsidiaries	Key Management PersonnelRs.	Relative of Management PersonnelRs.	Related Enterprises Rs.
Sale of Material / Finished Goods				3,694
Deodhar Electro Design P Ltd				(315)
Intel Exports Pvt. Ltd				54,42,397
				(14,42,647)
Total	-	-	-	54,46,091
				(14,42,962)
Purchase of Material / Finished Goods				
Deodhar Electro Design P Ltd				89,03,416
				(1,65,68,587)
Print Quick Pvt. Ltd.				52,49,440
				(NIL)
Sprylogic Technologies Ltd				1,07,616
				(2,78,598)
Total	-	-	-	142,60,472
				(168,47,185)
Rent Received				
Sprylogic Technologies Ltd				6,24,000
				(6,24,000)
Total	-	-	-	6,24,000
				(6,24,000)
Service / Labour / Royalty / Other Charges paid / Payable				
Telemetric Equipments Pvt. Ltd				1,03,500
				(NIL)
Mitramax Energy Pvt. Ltd				NIL
				(2,310)
Deodhar Electro Design P Ltd				1,75,894
				(1,87,114)
Sprylogic Technologies Pvt. Ltd				84,27,839
				(2,38,94,945)
Total	-	-	-	87,07,233
				(2,40,84,369)
Unsecured Loans Received	-		-	
Mrs. Amrita Deodhar		NIL		
		(NIL)		
Mr. P.S. Deodhar		1,25,00,000		
		((NIL)		
Total		1,25,00,000		
		(Nil)		

Nature of Transaction	Subsidiaries	Key Management PersonnelRs.	Relative of Management PersonnelRs.	Related Enterprises Rs.
Short Term Funding Obtained				
Print Quick Pvt. Ltd.				1,21,10,000 (1,72,50,000)
Deodhar Electro Design Pvt . Ltd.				1,10,05,705 (64,10,000)
Total				2,31,15,705 (2,36,60,000)
Interest on Loans and Fixed Deposits				
Mrs. Amrita Deodhar		NIL		
To be confirmed previous year		(4,34,108)		
Mr. P.S. Deodhar		11,95,441 (11,27,427)		
Total		11,95,441 (15,61,535)		
Salary & Perquisites				
Mr. Rajesh Deherkar		24,00,000 (18,00,00)		
Total		24,00,000 (18,00,000)		
Other Payments				
Mrs. Amrita Deodhar		1,20,000		
(Sitting Fees)		(1,27,500)		
Total		1,20,000 (1,27,500)		
Debit Balances as on 31.03.2020				
Deodhar Electro Design P Ltd				6,14,243 (6,10,549)
Intel Exports Corporation				690 (NIL)
Sprylogic Technologies Ltd				4,38,034 (4,40,843)
Mitramax Energy Pvt. Ltd.				1,32,825 (NIL)
Total	-	-	-	11,85,792 (10,51,392)

Nature of Transaction	Subsidiaries	Key Management PersonnelRs.	Relative of Management PersonnelRs.	Related Enterprises Rs.
Credit Balance as on 31.03.2020				
Deodhar Electro Design Pvt. Ltd				41,78,106 (9,97,715)
Mitra Max Energy Pvt Ltd				9,96,680 (2,310)
Telemetra Systems Pvt. Ltd				39,768 (NIL)
Print Quick Pvt. Ltd.				52,49,440 (NIL)
Sprylogic Technologies Ltd				32,99,130 (87,41,084)
Mrs. Amrita Deodhar (Loan and Interest)		24,99,99,367 (25,02,99,367)		
Mr. Prabhakar S Deodhar (Loan and Interest)		3,87,20,005 (2,51,44,112)		
Deodhar Electro Design Pvt. Ltd. (Inter Corporate Deposit)				62,00,000 (62,00,000)
Total	-	28,87,19,372 (27,54,43,479)		1,99,63,124 (1,59,41,109)

Previous year figures are shown in bracket

10. Earning per Share (Accounting Standard – AS20):

	2019-20	2018-19
Profit computation for both Basic and Diluted Earnings per Equity Share of Rs. 10 each		
Net profit/ (Loss) after tax as per Profit and Loss Account available for Equity Shareholders	25,79,483	5,90,14,339
Number of shares for Basic and diluted EPS as above	50,00,000	50,00,000
Earning per Share:		
Basic and Diluted (Rs.)	0.52	11.80

11. Taxes on Income

- Provision is not made for current tax in view of the carry forward business losses.
- Deferred Tax Liability/ (Assets) at the year end comprises of timing difference on account of Depreciation and Expenditure /Provision.
- Deferred tax asset on the balance of such carried forward losses has not been recognized in the absence of virtual uncertainty of future taxable income.

Following Notes to be added:

12A.Fair Value Measurement–

Objective&Basis 12B.Financial

Risk Measurement

- Market Risk
- Sensitivity Analysis of Exchange Rates Fluctuations & impact on Profit
- Interest Rate Risk
- Credit Risk – Receivables
- Liquidity Risk

13. Risk Management

- Debt to Equity ratio
- Loan Covenants (various ratios to be maintained for Borrowings done)

14. Approval of Financial Statements (Board Approval date)

15. Previous year figures have been re-grouped and re-classified wherever necessary.

Signature to Note 23

As per our report attached
For Shahade & Associates
Chartered Accountants
(Firm Reg.No.-109840W)

Shubhada Shahade
Partner
M No.038342
UDIN:20038342AAAAAL9021
Mumbai : 30th July , 2020

For and on behalf of the Board

Rajesh K Deherkar
Company Secretary & Finance Controller
Membership No. A10783

Thane : 30th July , 2020

P.S.Deodhar
Chairman and Managing Director
DIN : 00393117

Thane : 30th July , 2020

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer, to our knowledge, no circumstances have arisen since March 31, 2020, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets.

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

ACCOUNTING RATIOS

Following are the Key Accounting Ratios for the financial year ended March 31, 2020 and 9-month period ended December 31, 2020:

Particulars	Nine Months ended December 31, 2020	March 31, 2020
Earnings Per Share (EPS) (Basic and Diluted) (₹)	(2.92)	0.52
Return on Net Worth (%)	0.00	0.98
Net Asset Value per Share (₹)	(55.69)	(52.77)
EBITDA (₹ in Lakhs)	355.78	749.04
EBITDA (%)	12.69	16.40

Certified by M/s Puranik Kane & Associates Chartered Accountants, Statutory Auditors of our Company vide certificate dated [●].

Formula:

- Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lacs):** Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.
- EBITDA (%):** [EBITDA/ (Revenue-Interest Income)] * 100

CAPITALISATION STATEMENT

The capitalization statement of the Company as at March 31, 2020 and as adjusted for the Issue as per standalone financials is as follows:

Particulars	Pre-Issue as at March 31, 2020	Adjusted for the Issue
Total Borrowings		
Current Borrowings (A)	7,136.27	6,916.27
Non-current Borrowings (including current maturity) (B)	-	-
Total Borrowings (C) = (A) + (B)	7,136.27	6,916.27
Total Equity		
Equity Share Capital (D)	500	1,000
Other Equity (E)	(3,138.44)	(3,138.44)
Total Equity (F) = (D) + (E)	(2,638.44)	(2,138.44)
Ratio: Non-current Borrowings (including current	(2.70)	(3.23)

maturity/ Total Equity (G) = (C) / (F)		
--	--	--

Notes: The figures disclosed above are based on the audited books of accounts of the Company as at March 31, 2020;

MARKET PRICE INFORMATION

Our Equity Shares are listed on BSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For details, see “Terms of the Issue” on page 119. Our Company has received in-principle approval for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to this Issue from BSE by letter dated [●], 2021. Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Year	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)	Average (₹)
April 1, 2019 - March 31, 2020	11.05	July 19, 2019	442	5.19	February 26, 2020	1,150	7.87
April 1, 2018 - March 31, 2019	21.90	April 11, 2018	567	7.37	March 29, 2019	250	15.50
April 1, 2017 - March 31, 2018	29.30	October 13, 2017	3,770	19.15	January 1, 2018	778	24.02

Source: www.bseindia.com,

Stock Prices for the last six months

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)	Average (₹)
February 2021	22.95	February 4, 2021	5,800	17.80	February 8, 2021	8,078	20.30
January 2021	23.75	January 13, 2021	2,386	17.55	January 27, 2021	1,130	20.78
December 2020	24.75	December 9, 2020	8,130	17.55	December 4, 2020	1,440	20.90
November 2020	20.75	November 26, 2020	986	14.85	November 18, 2020	629	17.76
October 2020	23.55	October 14, 2020	1,075	16.85	October 27, 2020	4,498	20.00
September 2020	18.46	September 25, 2020	6,467	13.00	September 1, 2020	810	15.87

Source: www.bseindia.com

Week end closing prices of the Equity Shares for the last four weeks

Week ended on	Closing prices (₹)	High (₹)	Date of High	Low (₹)	Date of low
February 26, 2021	18.40	20.20	February 22, 2021	18.30	February 26, 2021
February 19, 2021	19.60	21.50	February 17, 2021	18.00	February 15, 2021
February 12, 2021	20.05	22.50	February 8, 2021	17.80	February 8, 2021
February 5, 2021	20.50	22.95	February 4, 2021	18.45	February 2, 2021

The closing market price of the Equity Shares of our Company one day prior to the date of this Letter of Offer was ₹ [●] on BSE.

The Issue Price is ₹ 10/- per Rights Equity Share and has been arrived at by our Company prior to the determination of the Record Date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Information as of and for the nine months ended December 31, 2020 and for the FY 2019-20 and FY 2018-19 all prepared in accordance with the Companies Act and Ind AS, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Information" on page 57. Unless otherwise stated, the financial information used in this chapter is derived from the consolidated financial statements of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 16 and 12 respectively.

Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Aplab Limited, as applicable in the relevant period, unless otherwise stated.

Overview of Our Business

Our Company, since its inception, has been serving the Global Market with wide range of Electronic Products meeting the International standards for safety and reliability such as UL, VDE etc. APLAB manufactures Test and Measurement Equipment, Power Conversion and UPS Systems and Self-Service Terminals for the Banking Sector. APLAB enjoys worldwide recognition for the quality of its products, our business integrity and innovative engineering skills.

Our Products are available with QA Certification from UL, ATEX, OEML etc. on the option of the client. APLAB is certified for quality with ISO 9001:2015 registration.

Our financial performance for the nine months period ended on December 31, 2020, FY 2019-20 and FY 2018- 19 is summarized below:

Particulars	Nine months ended on December 31, 2020	FY 2019-20	FY 2018-19
Revenue from operation	3280.24	5187.87	5352.99
EBITDA	359.53	752.04	1525.34
Profit after tax	(145.82)	25.79	590.14

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 16. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Factors affecting the Electronics industry;
- Increasing competition in the Industry;

- Ability to launch new products every year;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

CHANGE IN ACCOUNTING POLICIES

There have been no changes in the accounting policies during the FY 2019-20.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors' report for FY 2019-20.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

With respect to turnover there is percentage wise reduction of overall expenses over previous year.

COMPARISON OF HISTORICAL RESULTS OF OPERATIONS

FY 2019-20 Compared to FY 2018-19

Total Revenue

Revenue from operations

Our revenue from operations for the FY 2019-20 was Rs. 5,159.50 Lakhs as compared to Rs. 5,321.41 Lakhs for the FY 2018-19, representing an / decrease of 3.04 %. This is primarily due to sudden stoppage of manufacturing and sale activities on March 20, 2020 due lockdown announced for covid 19 pandemic.

Other income

Other income for the FY 2019-20 was Rs. 28.37 Lakhs as compared to Rs. 31.57 Lakhs for the FY 2018-19, representing a /decrease of 10.13 %. The decrease in other income was primarily due to reduction of interest earning fixed deposits with the bank.

Expenses

Our total expenditure for the FY 2019-20 was Rs. 5,481.14 Lakhs as compared to Rs. 6,504.79 Lakhs for the FY 2018-19, representing a decrease of 15.74%.

Related Party Transactions

For details, please see the chapter titled "*Financial Statements*" beginning on page **57**.

Significant developments after September 30, 2020 that may affect our future results of operations

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after January 01, 2021 that may affect our future results of operations. For further information, please see the chapter titled "*Material Developments*" on page **106**.

SECTION VIII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';

Our Company, from time to time, has been and continues to be involved in legal proceedings, arising in the ordinary course of its business. These legal proceedings are in the nature of civil as well as tax proceedings and we believe that the number of proceedings in which it is involved is not unusual for companies of its size doing business in India.

In determining whether any outstanding litigation against our Company, other than litigation involving (a) moral turpitude or criminal liability on the part of our Company, (b) material violations of statutory regulations by our Company or (c) proceedings relating to economic offences initiated our Company, would have a material adverse effect on our business, the materiality threshold has been determined based on threshold prescribed under the SEBI Listing Regulations.

Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) have not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

We have, from time to time, been involved in legal proceedings which include, inter alia, criminal proceedings filed by and against us, arising in the ordinary course of our business.

A. LITIGATION INVOLVING OUR COMPANY

a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

Our Company is subject to taxation proceedings in the ordinary course of business, details of which is given below:

Tax Liabilities:

Assessment Year	Forum where dispute is pending	Date on which demand raised	Outstanding Amount (Rs. in Lakhs)
2008-09	Sales Tax Tribunal – Mumbai VAT	29.07.2017	109.15
2010-11	Additional Commissioner Circle 1, Thane	30.03.2014	125.40
2011-12	Commissioner of IT Range 1	28.03.2013	682.31
2012-13	CIT II Thane	26.12.2019	124.02

Total	1040.88
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Gratuity: Many separated employees have filed cases in District Court for non-payment of their Gratuity dues. Though the Gratuity amount has been provided, there would be claims of Interest and other charges, amount could not be determined at this stage.

*Proceedings involving issues of moral turpitude or criminal liability on the part of our Company:***NIL**

b. Proceedings involving material violations of statutory regulations by our Company:
NIL

*c. Matters involving economic offences where proceedings have been initiated against our Company:***NIL**

B. LITIGATIONS FILED BY OUR COMPANY

Cases are filed against some companies for infringement of trade mark.

C. LITIGATIONS INVOLVING OUR SUBSIDIARIES: As on date of this offer letter, company has no subsidiary.

Disclosures pertaining to wilful defaulters

Neither our Company, our Directors nor our Promoters are or have been declared as wilful defaulters by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

Material development since the date of the last audited accounts

To our knowledge,except Covid-19 Pandemic,no circumstances have arisen since the date of the latest audited balance sheet i.e. March 31, 2020, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

GOVERNMENT AND OTHER APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

As on the date of this Draft Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under Sections 62(1)(a) and other provision of the Companies Act, at their meeting held on February 02, 2021.
2. In-principle approval from BSE pursuant to their letter dated April [●], 2021.

The Board of Directors in their meeting held on February 02 2021 have determined the Issue Price as ₹ 10/- per Equity Share and the Rights Entitlement as 1 Rights Equity Share for every 1 Equity Share held on the Record Date.

Our Company will also make applications to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Prohibition by SEBI and various agencies/ other regulatory bodies

Our Company, Promoters, members of Promoter Group and directors, have not been or are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the companies with which our Promoter or our directors are associated as promoter or directors have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Company, Promoter or director have been identified as wilful Defaulters by the RBI. None of our Directors are associated with the securities market in any manner. Neither our Promoter nor our directors are declared as Fugitive Economic Offenders.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no proceedings initiated by SEBI, Stock Exchange or ROC, etc. on our Company/Promoters/Directors/Group Companies.

Eligibility for the Issue

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with requirements of Regulation 61 and 62 of the SEBI ICDR Regulations to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to stock exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date.
2. The reports, statements and information referred to above are available on the websites of stock exchanges.
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than Rs. 5000.00 Lakhs, however the final letter of offer will be filed with SEBI for dissemination purpose.

Disclaimer clauses from our Company

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE Limited.

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, has been included in the Letter of Offer prior to filing with the Stock Exchange.

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than Rs. 5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. Issuer has filed draft letter of offer with BSE for obtaining in-principle approval.

Investor Grievances and Redressal System

We have adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI LODR Regulations as well as a well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for our Company is being handled by the Registrar and Share Transfer Agent, Adroit Corporate Services Private Limited. The Redressal norm for response time for all correspondence including shareholders complaints is within 7 (seven) to 10 (ten) days.

The Stakeholders' Relationship Committee consists of Independent Director Mr. Dinesh Kotecha as Chairperson and independent Director Dr. S.K. Hajela and Non-executive Director Mrs. Amrita P. Deodhar as members of the said committee. All investor grievances received by our Company have been handled by the Registrar and Share Transfer agent in consultation with the Compliance Officer.

Investor grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by Adroit Corporate Services Private Limited, who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7-10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the compliance officer and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Additionally, we have been registered with the SEBI Complaints Redress System ("SCORES") as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. 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

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” on page 119. The contact details of the Registrar to the Issue and Company Secretary & Compliance Officer are as follows:

<p>Company Secretary and Compliance Officer Rajesh K. Deherkar A-5, AplabHouse,Wagle Industrial Estate, Thane, Maharashtra – 400604 Tel: 67395510 Email: shares@aplab.com Website: www.aplab.com</p>	<p>Registrar to the Issue Adroit Corporate Services Private Limited 18-20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai, Maharashtra – 400059, India Tel: 022 - 28590942, 28503748 E-mail:info@adroitcorporate.com Website: www.adroitcorporate.com Investor grievance e- mail:info@adroitcorporate.com Contact Person:Mr.N.Surreash SEBI Registration No.:INR000002227</p>
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SECTION IX – OFFERING INFORMATION

Terms of Issue

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section. Depending on the Issue opening date and applicability of the Circular and any further amendments or clarifications thereto, suitable modifications will be made in the Letter of Offer in this regard.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT:

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, our Company will send through email or registered post or speed post, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses or registered address of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who makes a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

1. Our Company at www.aplab.com
2. The Registrar at www.adroitcorporate.com
3. The Stock Exchange at www.bseindia.com and
4. To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.adroitcorporate.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.adroitcorporate.com) by entering their DP ID and Client ID or Folio Number and PAN (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.aplab.com).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” on Page 131.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders on Page 121”.

In accordance with the SEBI Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may apply for the Equity Shares by:

ASBA facility: Investors shall submit the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see “Procedure for Application through the ASBA Process” on page 131.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares

in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●], April [●], 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4. Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner” on page 137 and pages 146 respectively.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of

members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.adroitcorporate.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.aplab.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.adroitcorporate.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer and the Application Form and other applicable Issue materials only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. the Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, www.adroitcorporate.com, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer

and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of Rs. 10/-.

Issue Price

The Rights Equity Shares are being offered at a price of Rs.10/- per Rights Equity Share in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in the meeting of Board of Directors held on February 2, 2021 and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 Rights Equity Share for every 1 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat accounts either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see “Procedure for Renunciation of Rights Entitlements” on page 132.

The Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date i.e., by [●], April [●], 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after entering in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On-Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●], [●], 2021 to [●], [●], 2021 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see “Procedure for Renunciation of Rights Entitlements – On Market Renunciation” and “Procedure for Renunciation of Rights Entitlements – Off Market Renunciation” on page 132-133.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

The Issue Price of Rs.10/- per Rights Equity Share shall be payable in full on application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 1 Equity Shares held as on the Record Date. Therefore, no fractional entitlement will be there in the current issue.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, be fully paid up and shall rank pari passu with the existing Equity Shares, in all respects

including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter dated [●], 2020. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

The existing Equity Shares are listed and traded on BSE (Scrip Code: 517096) and under the ISIN: **INE273A01015**. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the Existing ISIN of the Company i.e. **INE273A01015** and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “Capital Structure – Subscription to this Issue by our Promoter and Promoter Group” on page 14.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

- a) The right to receive dividend, if declared;
- b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;

- c) The right to receive surplus on liquidation;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed under “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for nonreceipt of demat account details in a timely manner” on page 146; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular and MCA General Circular No. 21/2020, our Company will send through email or registered post or speed post or courier, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 read with Foreign Exchange (Non-Debt Instruments) Regulations, 2019, issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at info@adroitcorporate.com

The Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at info@adroitcorporate.com or shares@aplab.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 137.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company. The Application Form along with the Abridged Letter of Offer and other applicable Issue material shall be sent through email and/or speed post/registered post/courier at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.adroitcorporate.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- a) our Company at www.aplab.com;
- b) the Registrar at www.adroitcorporate.com;
- c) the Stock Exchange at www.bseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.adroitcorporate.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.aplab.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat

account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 141. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 134. Options available to the Eligible Equity Shareholders.

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- e) renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circular, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of

Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner” on page 137 and page 146 respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted 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 Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “Application on Plain Paper under ASBA process” on page 134.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “Basis of Allotment” on page 145.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off- market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On-Market Renunciation shall take place only during the Renunciation Period for On-Market Renunciation, i.e., from [●], [●], 2021 to [●], [●], 2021 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements

they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On-Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis' where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant.

The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Aplab Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;

5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 10 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:
 “I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and (ii) in the United States to “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act) (“U.S. QIBs”) pursuant to Section 4(a)(2) of the US Securities Act and other exemptions from the registration requirements of the US Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S.QIBs. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (ii) a U.S. QIB in the United States, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States (other than U.S. QIBs) or is outside of India and the United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not

authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.adroitcorporate.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. Pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demataccount to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner” on page 137 and pages 146 respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.adroitcorporate.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and selfattested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;

- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The Eligible Equity Shareholders can access the Application Form from:
 - the website of the Registrar (www.adroitcorporate.com);
 - our Company (www.aplab.com);
 - the Stock Exchanges (at www.bseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.adroitcorporate.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.aplab.com);

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH COMPANY'S EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 146.

- a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) In accordance with the SEBI Rights Issue Circular, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page 137 and page 146 respectively.
- c) Please read the instructions on the Application Form sent to you
- d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees
- e) Application should be made only through the ASBA facility.
- f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- g) In case of non-receipt of Application Form, Application can be made on plain paper

mentioning all necessary details as mentioned under the section “Application on Plain Paper under ASBA process” on page 134.

- h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA
- i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equivalent to the Application Money in the ASBA Account mentioned in the Application Form
- m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors
- n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole

Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

- r) Only persons (i) in the United States to U.S. Persons, who are U.S. QIBs and are also Qualified Purchasers and (b) outside the United States to non-U.S. Persons in offshore transactions in compliance with Regulation S to existing shareholders located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.
- s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility
- t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- u) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- v) Applicants must submit a copy of the approval obtained from any regulatory authority, as may be required, or obtained from the RBI with the Application and send a copy of such approval to the Registrar www.adroitcorporate.com, in case the Application and the resultant Rights Equity Shares will result in the aggregate shareholding or total voting rights of the Applicant (along with persons acting in concert) in our Company, to be in excess of 26% of the post-issue paid-up equity share capital of our Company.
- w) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- a) Ensure that the Application Form and necessary details are filled in.
- b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income tax Act.
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected.

Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- a) Do not apply if you are ineligible to participate in this Issue under the securities laws

applicable to your jurisdiction.

- b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated

Branch of the SCSB or our Company.

- c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- e) Account holder not signing the Application or declaration mentioned therein.
- f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- l) Physical Application Forms not duly signed by the sole or joint Investors.
- m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB who is also a Qualified Purchaser in the United States) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (b) a U.S. QIB who is also a Qualified Purchaser in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer and the Application Form and other applicable Issue materials shall be sent to their email addresses if they have provided their Indian address to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “Procedure for Applications by Mutual Funds” on page 152.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●], [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “Basis of Allotment” on page 145.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. For details, see “General Information - Issue Schedule” on page 144.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- i. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking

the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository. In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner:

In case of allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- b) within 6 Months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds.

Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;

- e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b)

above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

- f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
- g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

- a. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
- b. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
- c. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.
- d. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
- e. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of nonavailability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in

physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated August 20, 2014 with NSDL and an agreement dated October 23, 2000 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in

suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form" on page 137 and 146 respectively.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid up equity capital on a fully diluted basis or should not exceed 5% 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 will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC- SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will, subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter is an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the

name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “APLAB LIMITED – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Adroit Corporate Services Private Limited

Contact Person: Mr. N. Surreash

Address: 18-20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai, Maharashtra – 400059, India

Tel: 022 - 28590942, 28503748

E-mail: info@adroitcorporate.com

Website: www.adroitcorporate.com

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (*i.e.* www.adroitcorporate.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are [●].

This Issue will remain open for a minimum 15 days. However, our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue OpeningDate).

SECTION X

OTHER INFORMATION MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office of our Company between 11.00 a.m. to 2.00 p.m. on any Working Day from the date of the Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

1. Agreement dated March 1st, 2021 between our Company and M/s. Adroit Corporate Services Private Limited, Registrar to the Issue.
2. Banker(s) to the Issue Agreement dated January [●], 2021 amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).
3. Tripartite Agreement dated [●], between our Company, National Securities Depository Ltd. (NSDL) and M/s. Adroit Corporate Services Private Limited;
4. Tripartite Agreement dated [●] between our Company, Central Depository Services (India) Limited (CDSL) and M/s. Adroit Corporate Services Private Limited;

B. DOCUMENTS FOR INSPECTION

1. Memorandum & Articles of Association of our Company;
2. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated February 2, 2021 authorizing the Issue;
3. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Banker to the Issue and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;
4. Annual reports of our Company for the financial years ended March 31, 2016, 2017, 2018, 2019 and 2020;
5. A statement of tax benefits dated March 1, 2021, received from M/s P N Kothari & Co, Chartered Accountants, Tax Auditor regarding tax benefits available to our Company and its shareholders;
6. In-principle listing approval dated [●], 2021 from BSE Limited respectively;

Any of the contracts or documents mentioned in this Letter of Offer 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 that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Prabhakar Shankar Deodhar
(Managing Director)

Sd/-
Amrita Prabhakar Deodhar
(Director)

Sd/-
Shailendra Kumar Hajela
(Director)

Sd/-
Dineshkumar Amrutlal Kotecha
(Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-
Rajesh Kesrinath Deherkar
(Chief Financial Officer)

Date: March 2, 2021

Place: Mumbai