

**Draft Red Herring Prospectus**

Dated: August 3, 2018

Read with Section 32 of the Companies Act, 2013

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

**100% Book Built Issue****ELECTRA ACCUMULATORS LIMITED**

Our Company was originally incorporated as "Electra Accumulators Private Limited" at Ahmedabad, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed at Extra-ordinary General Meeting of our Company held on February 24, 2018 and the name of our Company was changed to "Electra Accumulators Limited" vide a fresh certificate of incorporation issued by Assistant Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is U29100GJ2009PLC057053. For further details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page [●] of this Draft Red Herring Prospectus.

**Registered Office:** 19, Mahavir Nagar, N.H. No: 8, Vapi-396195, Gujarat, India**Corporate Office:** Office No.33-A, Vidhya Villa Compound, Old Nagardas Road, Andheri (East) Mumbai-400069, Maharashtra, India**Tel. No.:** 022-42247700; **Fax No.:** NA; **E-mail:** ho@electrabatteries.in; **Website:** www.electrabatteries.in**Contact Person:** Rashmi Chauhan, Company Secretary and Compliance Officer**PROMOTERS OF OUR COMPANY: CHETAN SANGHVI AND BHAUMIK SANGHVI****THE ISSUE**

**INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF UPTO 41,18,000\* EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●]\*\* LAKHS (THE "ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●]% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

*Our Company may consider issuing up to 5,88,000 Equity Shares on private placement basis for cash consideration aggregating up to Rs. 450.00 Lakhs, at its discretion in favor of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement") and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of equity shares issued pursuant to Pre-IPO placement would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 percent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.*

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN [●] EDITION OF THE ENGLISH NATIONAL NEWSPAPER, [●] EDITION OF THE HINDI NATIONAL NEWSPAPER [●] AND IN THE REGIONAL NEWSPAPER [●], EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE"), REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page [●] of this Draft Red Herring Prospectus. A copy of the Red Herring Prospectus/Prospectus will be delivered for registration to the Registrar as required under Section 32 and Section 26 of the Companies Act, 2013 respectively.

**THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS"). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED 'ISSUE INFORMATION' BEGINNING ON PAGE [●] OF THIS DRAFT RED HERRING PROSPECTUS.**

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI (ICDR) Regulations"), wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page [●]) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

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

**COMPANY'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares of our Company issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an In-Principle approval letter dated [●] from BSE Limited for using its name in the Offer document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange.

**BOOK RUNNING LEAD MANAGER**

**PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**  
406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India  
**Tel:** +91-22 6194 6700; **Fax:** +91-22 2659 8690  
**Website:** www.pantomathgroup.com  
**Email:** ipo@pantomathgroup.com  
**Investor Grievance Id:** ipo@pantomathgroup.com  
**Contact Person:** Hardik Bhuta / Unmesh Zagade  
**SEBI Registration No:** INM000012110

**REGISTRAR TO THE ISSUE**

**LINK INTIME INDIA PRIVATE LIMITED**  
C-101, 1<sup>st</sup> Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, India  
**Tel:** +91 22 49186200; **Fax:** +91 22 4918 6195  
**Website:** www.linkintime.co.in  
**Email:** electra.ipo@linkintime.co.in  
**Investor Grievance Id:** electra.ipo@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058

**BID/ISSUE PROGRAMME****BID/ISSUE OPENS ON: [●]****BID/ISSUE CLOSES ON: [●]**

\*Number of shares may need to be adjusted for lot size upon determination of issue price

\*\*Subject to finalization of basis of allotment.

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

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

## SECTION I – GENERAL DEFINITION AND ABBREVIATION

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

### COMPANY RELATED TERMS

Term	Description
“Electra Accumulators Limited” or “ELECTRA” or “the Company”, or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Electra Accumulators Limited, a Public Limited Company incorporated under the Companies Act, 1956.
AOA or Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Auditor or Statutory Auditor	The statutory auditor of our Company, being M/s. Anil Bansal & Associates, Chartered Accountants.
Bankers to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “ <i>General Information</i> ” on page 89 of this Draft Red Herring Prospectus.
Board of Directors/ the Board / our Board	The Board of Directors of our Company, as duly constituted from time to time, including Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Rashmi Chauhan.
Corporate Office	Office No. 33-A Vidhya Villa Compound, Old Nagardas Road, Andheri (East), Mumbai-400069, Maharashtra, India
Director(s)	Director(s) of our Company, unless otherwise specified.
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up unless otherwise specified in the context thereof.
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 231 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number, in this case being INE00V301010
Nomination and Remuneration Committee	The Nomination and Remuneration Committee which was constituted on April 20, 2018
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s. Anil Bansal & Associates, Chartered Accountants.
Pre-IPO Placement	Our Company may consider issuing up to 5,88,000 Equity Shares on a private placement basis for cash consideration aggregating up to Rs. 450 lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC (the “ <b>Pre-IPO Placement</b> ”) and the details of which, if completed, will be included in the Red Herring Prospectus. If the



Term	Description
	Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2) (b) of SCRR.
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 226 of this Draft Red Herring Prospectus.
Promoters or our Promoters	Promoters of our Company being Chetan Sanghvi and Bhaumik Sanghvi.
Registered Office	The Registered office of our Company situated 19, Mahavir Nagar, N. H. No: 8, Vapi, Gujarat, India, 396195
RoC / Registrar of Companies	Registrar of Companies, ROC Bhavan, Rupal Park Society Behind Ankur Bus Stand, Ahmedabad, Gujarat, India 380013.
you, your or yours	Prospective investors in this Issue.

#### ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful applicants.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
Banker(s) to the Issue/ Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Basis of Allotment	The basis on which Equity Shares will be Allotted to the

Term	Description
	successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 315 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Cum Application Collecting Intermediaries	<ol style="list-style-type: none"> <li>1. a SCSB with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member) If any</li> <li>3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(“broker”) if any</li> <li>4. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms

Term	Description
	of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied and includes an ASBA Bidder.
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter.
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of BSE Limited.
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.
Client ID	Client Identification Number to be maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch/Designated	Such branch of the SCSBs which coordinate Applications under

<b>Term</b>	<b>Description</b>
Branch	this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-Off Price. QIBs and Non Institutional Bidder are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Stock Exchange	BSE Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated August 03, 2018 issued in accordance with Section 32 of the Companies Act, 2013 and filed with BSE Limited under SEBI (ICDR) Regulations.

Term	Description
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in “ <i>Issue Procedure</i> ” on page 315 of this Draft Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	The Initial Public Issue of up to 41,18,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] comprising the Fresh Issue.
Issue Agreement	The agreement dated July 16, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 118 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and BSE Limited.
Market Making Agreement	Market Making Agreement dated [●], 2018 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation	The Reserved Portion of up to [●] Equity Shares of face value of

<b>Term</b>	<b>Description</b>
Portion	Rs. 10 each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	[●] % of the QIB Portion i.e. [●] Equity Shares available for allocation to Mutual Funds, out of the QIB Portion.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have applied for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
SME Platform of BSE Limited/ SME Exchange	The SME Platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/ applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share

Term	Description
	(Cap Price) including revisions thereof.  The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Regional newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, <i>inter alia</i> , the Issue Price, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue i.e. [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on [●], 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
QIB Portion	The portion of the Issue being [●]% of the Net Issue, consisting of [●] Equity Shares, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto.  The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will

Term	Description
	be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a>
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having its Registered Office located at C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India.
Registrar Agreement	The agreement dated July 16, 2018 entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009.
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and includes the agreement to be entered into



<b>Term</b>	<b>Description</b>
	between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Syndicate Agreement	The agreement dated [●], 2018 entered into among our Company, the BRLM and the Syndicate Members in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriters, namely, Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriter	Pantomath Capital Advisors Private Limited.
Underwriting Agreement	The agreement dated [●], 2018 entered into between the Underwriters and our Company.
Working Day	Working Day means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (ii) Bid Period, Working Day shall mean all days, excluding all Saturdays, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid Closing Date and the listing of the Equity Share as on the stock exchange, Working day shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays

#### **TECHNICAL AND INDUSTRY TERMS**

<b>TERM</b>	<b>DESCRIPTION</b>
ALABC	Advanced Lead Acid Battery Consortium
AMP	The Automotive Mission Plan 2016-26
BCG	Boston Consulting Group
BPL	Below Poverty Line
CAGR	The Compound Annual Growth Rate
CARE	CARE Advisory Research and Training Limited
CMIE	Centre for Monitoring Automobile Manufacture
CPI	Consumer Price Index
CSO	Central Statistics Office
DIPP	Department of Industrial Policy and Promotion

TERM	DESCRIPTION
EAL	Electra Accumulators Limited
EMEA	Europe, Middle East, Africa
EPS	Electricity Power Survey
EV	Electric Vehicle
FAME	Faster Adoption and Manufacturing of Electric Vehicles
GAV	Gross Value Added
GDP	Gross Domestic Product
GST	Goods And Services Tax
GW	The gigawatt
IBC	Insolvency And Bankruptcy Code
IIP	Index Of Industrial Production
ILZSG	International Lead and Zinc Study Group
IMF	International Monetary Fund
LAB	Lead Acid Battery
M-SIP	Modified Special Incentive Package Scheme
MSP	Minimum Support Price
MNRE	Ministry of New and Renewal Energy
MTBF	Mean time between failures
NBFC	Non-Banking Finance Company
NBFCs	Non-Banking Financial Company
NEMMP	National Electric Mobility Mission Plan 2020
NITI Aayog	National Institution for Transforming India
NSSF	National Small Savings Fund
OEM	Original Equipment Manufacturer
OMO	Open Market Operations
PMP	Phased Manufacturing Programme
PPP	Purchasing Power Parity
SOHO	Small Office, Home Office
SIAM	Society of Indian Automobile Manufacturer
UK	United Kingdom
UNIDO	United Nations Industrial Development Organisation
UPS	Uninterruptible Power Supply
WEO	World Economic Outlook

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year.
A/C	Account.
AGM	Annual General Meeting.
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
AoA	Articles of Association.
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered

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

Term	Description
FCNR Account	Foreign Currency Non Resident Account.
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India.
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FIs	Financial Institutions.
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FV	Face Value.
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
FTP	Foreign Trade Policy.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross Domestic Product.
GIR Number	General Index Registry number.
GoI/ Government	Government of India.
HNI	High Net-worth Individual.
HUF	Hindu Undivided Family.
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India.
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
INR	Indian National Rupee.
IPO	Initial Public Offering.
IRDA	Insurance Regulatory and Development Authority.
IT Authorities	Income Tax Authorities.
IT Rules	The Income Tax Rules, 1962, as amended from time to time.
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page <b>211</b> of this Draft Red Herring Prospectus.
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Term	Description
Ltd.	Limited.
MD	Managing Director.
MICR	Magnetic Ink Character Recognition.
Mn	Million.
MoA	Memorandum of Association.
MoF	Ministry of Finance, Government of India.
MoU	Memorandum of Understanding.
N/A or N.A.	Not Applicable.
NAV	Net Asset Value.
NBFC	Non-Banking Finance Company.
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NI Act	Negotiable Instruments Act, 1881.
NOC	No Objection Certificate.
NR	Non Resident.
NRE Account	Non Resident (External) Account.
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident (Ordinary) Account.
NSDL	National Securities Depository Limited.
BSE	BSE Limited.
OCB	Overseas Corporate Bodies.
p.a.	per annum.
P/E Ratio	Price Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
Pvt.	Private.
QIB	Qualified Institutional Buyer.
RBI	Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoC	Registrar of Companies.
RoNW	Return on Net Worth.
Rs. / INR	Indian Rupees.
RTGS	Real Time Gross Settlement.
SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to

Term	Description
	time.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SCSB	Self Certified Syndicate Bank.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations.
Sec	Section.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small Medium Enterprise.
SSI Undertaking	Small Scale Industrial Undertaking.
Stock Exchange	BSE Limited.
STT	Securities Transaction Tax.
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number.
TIN	Taxpayers Identification Number.
TNW	Total Net Worth.
TRS	Transaction Registration Slip.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/ United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of

Term	Description
	America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

*Notwithstanding the following: -*

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 374 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page **239** of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factor*” beginning on page **22** of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page **133** of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 240 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

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

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 239 of this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 239 of this Draft Red Herring Prospectus.

### **CURRENCY OF PRESENTATION**

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

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

### **INDUSTRY AND MARKET DATA**

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



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

Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD LOOKING STATEMENT

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

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

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

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 22 and 240 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

## SECTION II – RISK FACTORS

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

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 169, “Our Industry” beginning on page 136 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 240 respectively, of this Draft Red Herring Prospectus as well as other financial information contained herein.*

### **Materiality:**

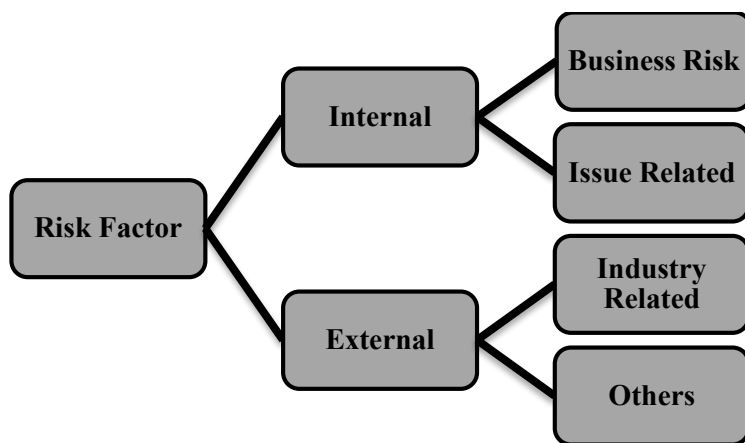
*The following factors have been considered for determining the materiality of Risk Factors:*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off.*

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



## INTERNAL RISK FACTORS:

### BUSINESS SPECIFIC RISKS

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

Also, there is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries see the chapter titled “*Outstanding Litigation and Material Developments*” on page 267 of this Draft Red Herring Prospectus.

A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labor Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
<b>Company</b>							
By the Company	7	Nil	Nil	Nil	Nil	4	40.90
Against the Company	Nil	Nil	3	Nil	Nil	Nil	19.10
<b>Promoters</b>							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>							
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors other than promoters</b>							

<b>Name of Entity</b>	<b>Criminal Proceedings</b>	<b>Civil/ Arbitration Proceedings</b>	<b>Tax Proceedings</b>	<b>Labor Disputes</b>	<b>Consumer Complaints</b>	<b>Complaints under Section 138 of NI Act, 1881</b>	<b>Aggregate amount involved (Rs. In lakhs)</b>
<b>By the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**2. *Our cost of production is exposed to fluctuations in the prices of raw material prices, particularly Lead and Sulphuric Acid.***

The industry that we operate in is exposed to fluctuations in the prices of Lead and Sulphuric Acid (“**Acid**”) and we may be unable to control factors affecting the price directly or indirectly at which we procure such materials, particularly as we typically do not enter into any supply agreements with our suppliers and our major requirement is met in the spot market. We may at times also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable for a particular segment of demography, if we pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of raw material may thereby affect our margins directly or indirectly and thereby have a direct bearing on our profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

**3. *The industry segments in which we operate is majorly dominated by Amara Raja Batteries Limited (“ARBL”) and Exide Industries Limited (“Exide”).***

The market for our products is competitive on account of both the organized and unorganized players. Brand name and pricing play a key role in Indian market. We majorly manufacture Lead operated batteries, industrial Inverter, automotive and solar batteries and these segments are majorly dominated by ARBL and Exide as they have a considerable domestic market share. We compete for pricing, technical competence, quality of products, distribution network, and timely delivery with ARBL and Exide. They may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive which, may affect our margins, our business operations and our financial condition.

*(Source: CARE Advisory report dated July 20, 2018)*

**4. *We are exposed to slowdown w.r.t conditions affecting the end user industries and markets for automobile, inverter/ UPS and solar power industry.***

Generally, in the industry segment that we operate in, Sales to the OEM (*Original Equipment Manufacturer*) are driven by new vehicles manufactured, which are directly, indirectly determined by consumer demand for new vehicles. Additionally, the batteries that are manufactured by us are also utilized in inverter, UPS and automobile applications and for panels used for generating solar power. These batteries are used by many industries and sales of our products are directly dependent on these industries. The end user industries and geographic markets which our products are targeted at may be impacted by global economic or industry conditions, including but not limited to seasonal trends, volatile fuel prices, rising employee costs as well as compliance with evolving regulatory requirement, changing power and electricity requirement, government initiatives, trade agreements and other factors. Further, any slowdown in the sale of two-wheeler and four-wheeler vehicles due to overall economic conditions or any abrupt or sudden changes in the consumer preferences would likely result in a

decrease in the Company's profit margin thereby affecting the business. Alternatively, any significant industry downturns in such industries, as well as economic downturns in our markets may significantly affect our revenues from sale of batteries across segment markets.

5. ***Lead and Acid, raw materials used in the manufacturing of battery are hazardous in nature. It is harmful for health of our workers. Any accidents involving hazardous material, at the Company's facilities could lead to property damage, production loss and accident claims.***

Improper or negligent handling while manufacturing and/ or storing Lead and Acid as they are hazardous material may cause personal injury and may further lead to severe damage or destruction to property and/ or equipment's/ machineries and/ or environmental damage and may result in either temporarily or permanent suspension of operations and imposition of civil and criminal liabilities. Continuous exposure to Lead for an extensive and continuous period could have irreversible effect on the health of the employee handling these hazardous products. Additionally, any accident at the Company's manufacturing facilities which is located at Plot No. 136/I/1, GIDC, 2nd Phase, Vapi-396195, Gujarat; Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat and Plot no. 165/A/4 & 165/A/5, Vapi, Valsad, Gujarat could result in damages. The Company could suffer a decline in production, receive negative publicity and could be forced to invest resources in addressing such damages, both in terms of time and money. Although the accidents at the Company's facilities have been few in number, there can be no assurance that there will not be any work related or other accidents in the future. Furthermore, while issues arising from previous accidents, such as compensation and liability, have been amicably settled without any adverse impact on production or damage to the Company's facilities, there can be no guarantee that such settlements will take place at all times in the future or that accidents may not result in litigation and regulatory action against the Company.

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

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

7. ***If the Company is unable to develop new products or improve upon its existing products at the rate that the market requires, the Company's business and financial condition could be adversely affected.***

The Company believes that its future success depends, in part, on the ability to develop new technologically advanced products or improve on the Company's existing products in innovative ways that meet or exceed its competitor's product offerings. Maintaining the Company's market position will require continued monitoring of technological advances that come from global research and development efforts and sales and marketing. Industry standards, customer expectations, or other products may emerge that around render one or more of the Company's products less desirable or obsolete. The Company may be unsuccessful in making the technological advances necessary to develop new products or improve its existing products to maintain its market position. If any of these events do occur, it could cause decrease in sales and have an adverse effect on the Company's business, financial position, results of operations and cash flow.

8. ***Lead-acid battery products may be substituted by other battery products.***

The trend in the battery industry is to develop storage battery products which are more environmentally-friendly with increased power output and less weight. There can be no assurance that manufacturers of

automobiles and other users of the Company's products will continue to use lead-acid battery products. In the event that the market prefers to use other forms of battery products and if the Company is not able to develop new battery products to meet the future demand, the Company's business could be adversely affected.

9. ***We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. However, our products, processes and inputs have to undergo a special quality test conducted by in house laboratory to ensure that the same is of the requisite quality. Although, we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

We provide warranty ranging from 12 months to 36 months depending on the type of product. Our industry has a trend of providing piece to piece warranty wherein in case of any defect during the warranty tenure, we are liable to provide a new battery in replacement of the defective one.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our Company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

10. ***Our top five and top ten customers contribute significant amount of our revenues for the year ended March 31, 2018. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top five and top ten customers contribute 44.79% and 58.20% respectively, of our revenues for the year ended March 31, 2018. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

11. ***We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of "ELECTRA ACCUMULATORS LIMITED" from "ELECTRA ACCUMULATORS PRIVATE LIMITED" pursuant to conversion and name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of "ELECTRA ACCUMULATORS PRIVATE LIMITED". After complying with the relevant and the applicable provisions and procedures of Companies Act, 2013, the Company was converted into a public limited Company in the year 2018 followed by a change of name of the company to "ELECTRA ACCUMULATORS LIMITED". We shall be taking necessary steps for transferring the approvals in the new name of our Company. In case we fail to transfer/ obtain the same in name of the Company, the same may adversely affect our business operations.

Our Company has made application dated July 03, 2018 for factory license bearing no. 709544 for the manufacturing unit – I and application dated May 30, 2018 bearing no. 139639 for Consent to operate for the manufacturing unit – II. We have made an application for the registration for Goods & Service

Tax for the Branch – V (Madhya Pradesh). Currently, Consent to Establish for the manufacturing unit III is not traceable.

Our Company is yet to apply for the consent to operate for the manufacturing unit – I. We have not yet applied for the Shop and Establishment Certificate for the Branch – IV (Delhi). Our Company is also required to make application for the registration under Contract Labour (Regulation and Abolition) Act, 1970.

Any failure to apply for and obtain the required approvals, licenses, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licenses, registrations and permits would result in a delay in our business operations which could otherwise adversely affect our financial condition, results of operations and future prospects of the Company. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the Chapter “*Government and other Statutory Approvals*” on page 279 of this Draft Red Herring Prospectus.

**12. *We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain. Our application for registration of our trademarks are currently pending with relevant Trademark Certifying Authorities as a result of which we may have lesser recourse to initiate legal proceedings to protect our brand in respect of these products.***

We operate in an extremely competitive environment, where generating brand recognition is significant element of our business strategy. Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain as few of those are currently objected/ opposed.

Currently, we have made total 6 applications for registration with the Registrar of Trademarks, Trademark Registry, Government of India out of which 2 Trademarks are duly registered. 2 applications currently stand objected while 2 application currently stand opposed. There is no guarantee that the applications for registration of our said trademarks will be accepted in favor of the Company. This may affect our ability to protect our trademark in the event of any infringement of our intellectual property. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo.

Therefore we do not enjoy the statutory protection accorded to a registered trademarks and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Thereby, our ability to use our logo may be impaired. There can be no assurance that we will be able to register the logo or our other trademarks or those third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

However, at present only 2 trademarks are being used, “*ELECTRA*” and “*GEOPOWER*”. Our Company carries out most of its business under these two brand names. Our Brand Logo “*ELECTRA*” is already registered in the name of the company therefore we enjoy all the statutory protection accorded under the Trademark Act, 1999. Hence, objection/opposition of other trademark will not significantly affect the Business of our company.

For further details, please refer the chapter titled “*Government and Other Statutory Approvals*” on page 279 of this Draft Red Herring Prospectus.



**13. *Our costs of complying or failure to comply with environmental laws could adversely affect our business and results of operations. The Company may also be subject to civil or administrative sanctions for the Company's past, present and future operations.***

Our factory and business are subject to state and national environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986;
- Air (Prevention and Control of Pollution) Act, 1981;
- Water (Prevention and Control of Pollution) Act, 1974;
- Hazardous Waste Management & Handling Rules, 2008;
- Batteries (Management and Handling) Rules, 2001 and
- Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Gujarat,

which govern the discharge, emission, storage, handling and disposal of a variety of hazardous substances that may be used in or are result of operations. Environmental regulation of manufacturing batteries in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In the case of any change in environmental, or pollution regulations, we may be required to incur significant amounts on, amongst other things, environmental monitoring, pollution control equipment, hazardous waste and emissions management. We may also be required to bear additional expenditure to establish additional infrastructure, such as facilities for monitoring pollution impact and effluent discharge. Such additional costs may adversely affect our results of operations.

Additionally, the Company is governed by various environmental laws, which amongst, other things, govern the level of fees payable to the government entities providing environmental services and setting out the requirements in relation to the installation of ventilation equipment to ensure the appropriate treatment of Lead, Acid generated during production Lead battery products. The applicable environmental laws also empower local governments to impose sanctions on enterprises failing to comply with applicable environmental laws. Despite the complexity of the applicable environmental laws, the Company relies on its own environmental compliance procedures and does not employ third party experts to advise them on their environmental compliance requirements nor does it conduct third party audits to confirm compliance with all applicable environmental requirements. The Company is also required by the applicable environmental laws governing health and safety at work to provide the Company's employees exposed to Lead and Acid with protective clothing and accessories, such as gloves, goggles and masks.

Despite the implementation of the above protective measures, it may not be possible to eliminate the risks associated with exposure to Lead or Acid involved in our manufacturing process. As the Company's production may cause pollution to the environment and may affect the health of the Company's employees, the Company may be subject to civil claims for compensation or administrative sanctions such as fines or directives to discontinue production activities. If there is any legal action initiated against the Company on any alleged violation of environmental protection laws and regulations, or that the Company's production discharge results in any harm to any person or environment, the Company's business could be materially and adversely affected. There can be no assurance that relevant governmental authorities or others will not take action against the Company for its past, present and future business operations as they relate to the environment.

**14. *We have not received complete information with respect to persons forming part of our Promoter Group.***

Our Company has issued letter dated July 07, 2018 to one of the relatives of our Individual Promoter, Chetan Sanghvi i.e. Bina Mehta, asking for details of entity (ies) in which she severally or jointly may have an interest. Our Company has sent a letter to each relative demanding their personal documents for identification of promoter group. However, we have not received reply from Bina Mehta (Sister of

Chetan Sanghvi's Spouse) and consequently has not been able to retrieve her information in this respect. Therefore, the disclosure made in this Draft Red Herring Prospectus are limited to the extent of information that has been made available by our promoter in relation to promoter Group and Group Companies.

**15. *Our dependence on few suppliers puts us at risk of interruptions in the availability of raw materials, which could adversely affect our business, financial condition and results of operations.***

Major raw materials used for manufacturing of Battery include, Lead and Sulphuric Acid and the same is procured from domestic market. Our Company is dependent on third party suppliers for procuring the raw materials which we use in our manufacturing process. We procure our products from various domestic suppliers depending upon the price and quality. However, our Top 10 suppliers contribute significantly. Our top 10 and top 5 suppliers contributed 60.69% and 53.00% of our revenues for the period ended March 31, 2018. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. If we were to experience a significant or prolonged shortage of such raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our execution schedules and to deliver products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We also cannot assure you that a particular supplier will continue to supply the required raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our execution cycles and delivery schedules, which may result in the loss of our customers and revenues.

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

Major raw material used in the manufacturing of the battery is Lead, for which we are dependent on external suppliers. Further, we do not have any formal long-term arrangements with our suppliers which oblige them to maintain their business with us. Our ability to maintain close and satisfactory relationships with our suppliers may impact our suppliers and affect our production process. Additionally, we have not entered into long term agreements, with our customers. Except for the long term contract with one of our customers, our Company does not have any long term supply agreement. Further, in the event of any change in the preference or production schedule of the customer, our customer may terminate the orders which may affect our Company's business, results of operations and revenues. Also, there is no assurance that the customers and suppliers will continue to supply raw materials to us and these customers will continue to purchase products from us. This could impact the financial performance of our Company and thereby affect our business and financial condition.

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

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

*Amount (Rs. In lakhs)*

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>A. Current Assets</b>					
Current Investments	1.00	11.00	11.00	10.00	-
Inventories	5,481.77	3,919.39	3,152.56	2,325.11	1,650.47
Trade Receivables					

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
	902.97	335.56	854.04	313.39	521.84
Cash and Cash Equivalents	150.88	90.96	130.66	49.13	126.67
Short Term Loans & Advances	391.06	299.49	284.41	711.19	160.68
Other Current Assets	2.54	2.37	10.06	3.97	0.06
<b>B. Current Liabilities</b>	-	-	-	-	-
Trade Payables	1,998.02	1,381.95	1,567.32	743.48	812.58
Other Current Liabilities	828.31	369.62	330.67	331.06	413.33
Short Term Provisions	242.41	60.61	35.44	104.57	47.98
<b>Working Capital (A-B)</b>	<b>3,861.48</b>	<b>2,846.59</b>	<b>2,509.28</b>	<b>2,233.68</b>	<b>1,185.83</b>
<b>Inventory as % of total current assets</b>	<b>79.10%</b>	<b>84.13%</b>	<b>70.96%</b>	<b>68.13%</b>	<b>67.10%</b>
<b>Trade Payables as % of total current liabilities</b>	<b>65.11%</b>	<b>76.26%</b>	<b>81.06%</b>	<b>63.05%</b>	<b>63.79%</b>

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 118 of this Draft Red Herring Prospectus.

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

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Cash Flow from / (used in) Operating Activities	(185.73)	74.19	211.53	(732.41)	(179.85)
Cash Flow from / (used in) Investing Activities	(142.76)	3.39	(25.49)	(42.37)	(100.58)
Cash Flow from / (used in) Financing Activities	388.41	(117.27)	(104.51)	697.24	338.99

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

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

As on March 31, 2018, our Company has following contingent liabilities as per restated financial Statements of the Company:-

*Amount (Rs. In lakhs)*

Particulars	Amount Outstanding as on March 31, 2018
Bank Guarantees	1.93
Income Tax CIT-A [A.Y.2014-15]	5.15
<b>Total</b>	<b>7.08</b>

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled — “Financial Statements” on page 239 of this Draft Red Herring Prospectus.

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

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

21. ***Our inability to maintain distribution network can adversely affect our Revenues.***

We sell our products with the help of distribution network of various dealers/retailers/distributors. The distribution network sells our products to end users. Our inability to maintain our existing distribution network or to expand it further as per the requirement of our proposed increased capacities, can adversely affect our Revenues. In case, if we are not able to market our manufactured products, it may affect our operations and profitability adversely.

22. ***Our Group Companies have incurred losses in the previous financial years.***

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers, etc., which may affect our credibility and business operations. Our Group Companies, Sanghvi Trading Private Limited and Spectra Battery Industries Private Limited, have incurred losses in previous years. Additionally, our Group Companies also have negative net worth.

#### **Financial Performance of Sanghvi Trading Private Limited**

*(Amount in Rs. Lakhs)*

Particulars	For The Year Ended		
	2018	2017	2016
Paid up Capital	1.00	1.00	1.00
Reserves & Surplus	(10.67)	(11.59)	(11.38)
Networth	(9.67)	(10.59)	(10.38)
Sales and other income	4.62	2.41	10.94
Profit/loss after tax	0.92	(0.22)	(1.19)

#### **Financial Performance of Spectra Battery Industries Private Limited**

*(Amount in Rs. Lakhs)*

Particulars	For The Year Ended		
	2018	2017	2016
Paid up Capital	1.00	1.00	1.00
Reserves & Surplus	(37.89)	(39.11)	(36.25)
Networth	(36.89)	(38.11)	(35.25)
Sales and other income	7.83	1.75	14.07
Profit/loss after tax	1.22	(2.86)	9.65

There can be no assurance that our Group Companies, will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

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

Our Company uses third party transportation providers for delivery of finished goods at various distribution centers across India. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportations facilities may not be adequate to support our existing and future operations. In addition raw materials/ finished goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure or any other events beyond the control of the Company could impair the ability to procure raw materials on time or deliver the finished goods which may hamper the business, financial condition and results of operations of our Company adversely.

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

Our Group Companies viz Electra Global Resources Private Limited, Sanghvi Trading Private Limited and Spectra Battery Industries Private Limited and Promoter Group Entities M/s. Electra Battery Plate Manufacturing Co., M/s. Swastik Battery Industries and M/s. Sanghvi Enterprises are authorised to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and our Group Companies or Promoter group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other Company in which our Promoters have interests. There can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

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

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

26. ***The shortage or non-availability of power facilities and water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes requires substantial amount of power facilities and water, particularly distilled water for mixing with various chemicals and filling the batteries. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high. We are dependent on Dakshin Gujarat Vij Company Limited for meeting our electricity requirements and require 250 KV load at present and from municipality at G.I.D.C, Vapi for water facilities. We have also installed distillation machine at our factory for purifying the water and converting it to distilled water. Any defaults or non-compliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Further, since we are majorly dependent on third party power supply; there may be certain factors beyond our control affecting the supply of power. Any disruption / non availability of power and water shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

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

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

28. ***Our Company has manufacturing facilities located at Plot No. 136/I/1, GIDC, 2nd Phase, Vapi-396195, Gujarat; Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat and Plot no. 165/A/4 & 165/A/5, Vapi, Valsad, Gujarat. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.***

Our Company has manufacturing facilities located at Plot No. 136/I/1, GIDC, 2nd Phase, Vapi- 396195, Gujarat; Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat and Plot no. 165/A/4 & 165/A/5, Vapi, Valsad, Gujarat. Our success depends on our ability to successfully manufacture and deliver products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or process, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

29. ***We do not own our corporate office premises and manufacturing unit/ facilities, which we have taken on lease from one of our Group Entity. Any termination of agreements may require us to vacate such premises and adversely affect our business operations.***

Company's corporate office is taken on lease from one of our Group Entity i.e., Electra Battery Plate Manufacturing Co. (a partnership firm). Further, our manufacturing facilities and packaging facilities which are situated at G.I.D.C, Vapi are also taken on lease. If any such lease agreement under which we occupy the premises is not renewed on terms and conditions that are favorable to us, or at all, we may suffer a disruption in our operation which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our office to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. For more details on properties taken on lease by our Company, please refer section "*Land and Properties*" in the chapter titled "*Our Business*" on page 169 of the Draft Red Herring Prospectus.

**30. *Any defects in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.***

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

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

We believe that the industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Our Company has taken efforts to maintain a lower attrition among the laborers by facilitating them with various in-house facilities and benefits to our employees. Thus, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

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

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

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of

operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

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

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

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

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

**35. *We have not entered into any technical support service for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.***

Our manufacturing processes involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our Company has not entered into any technical support service agreements with any competent third party. However, Company has an in-house team for maintenance and advancement of machinery. Our failure to reduce the downtime in as such events occur may adversely affect our productivity, business and results of operations.

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

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

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

Our Promoters average cost of acquisition of Equity Shares in our Company could be lower than the floor price of the price band as may be decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and built-up of Equity Shares by our Promoters in our Company, please refer chapter titled "Capital Structure" beginning on page 101 of this Draft Red Herring Prospectus.

**38. *We have issued Equity Shares in the last twelve months, the price of which is lower than the Issue Price.***

We have issued equity shares in the last twelve months at a price which is lower than the Issue Price. Details of such issuance are given in the table below:



Date of Allotment	No. of Equity Shares	Issue Price (In Rs.)	Face value (In Rs.)	Consideration (in Rs.)	Nature of Allotment
March 31, 2018	41,70,000	10	10	Nil	Bonus Issue

For further details of Equity Shares issued, please refer to chapter titled, ‘*Capital Structure*’ beginning on page 101 of this Draft Red Herring Prospectus.

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

Our Company has obtained insurance coverage in respect of certain risks. We have taken group insurance policies i.e. standard fire and peril insurance, vehicle insurance and employee state insurance. These policies insure our assets against standard fire and special perils, stock policy and marine cargo policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer chapter titled “*Our Business*” beginning on page 169 of this Draft Red Herring Prospectus.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 2,352.41 Lakhs as on March 31, 2018. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the “*Financial Indebtedness*” please refer to page 257 of this Draft Red Herring Prospectus.

**41. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Further, Our Company has not received “No-Objection” certificate from few of our lenders to undertake this Issue. Non receipt of such “No Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 257 of the Draft Red Herring Prospectus. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

Further, as on the date of the Draft Red Herring Prospectus, we have not received “No Objection” certificate from some of our lenders. We cannot assure you that the lenders will grant us the “No-Objection” certificate for this Issue. Non-receipt of such “No Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with the lenders.

- 42. *The deployment of funds raised through this Issue shall not be subject to any monitoring agency and shall be purely dependent on the discretion of the management of our Company.***

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

- 43. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 118 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use entire Issue Proceeds towards working capital, repayment/ pre-payment of unsecured loans availed from banks and financial institutions and general corporate purposes. We intend to deploy the Net Issue Proceeds in financial year 2018-19 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 118 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 118 of this Draft Red Herring Prospectus, the management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

However, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 118 of this Draft Red Herring Prospectus.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own [●] % of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able

to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

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

As on March 31, 2018, our Company has unsecured loans amounting to Rs. 595.33 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled “Financial Statements as Restated” beginning on page 239 and “Financial Indebtedness” of this Draft Red Herring Prospectus.

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

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

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 238 of this Draft Red Herring Prospectus.

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

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

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

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 101 and 211, respectively, of this Draft Red Herring Prospectus.

**51. *We have taken guarantees from Promoters and members of promoter group in relation to debt facilities provided to us.***

We have taken guarantees from Promoters and members of promoter group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled “*Financial Indebtedness*” beginning on page 257 of this Draft Red Herring Prospectus.

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

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

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

Our business is dependent on the trust our customers have reposed in the quality of our products. Any negative publicity regarding our Company, brand, or our products due to any other unforeseen events could affect our reputation and our results from operations. Further, our business may also be affected if there is any negative publicity associated with the products and services which are being rendered by our Company which may indirectly result in erosion of our reputation and goodwill.

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

Our Company has entered into various transactions with our Promoters, Promoter Group, Directors, their Relatives and Group Companies. While we believe that all such transactions are conducted on arms’ length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For

details on the transactions entered by us, please refer to chapter “*Related Party Transactions*” beginning on page 237 of the Draft Red Herring Prospectus.

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

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

#### **ISSUE SPECIFIC RISKS**

- 56. *There are restrictions on daily/ weekly. Monthly movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Once listed, we would be subject to circuit breaker imposed by stock exchanges on which the Company is listed, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on different stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and download movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

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

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

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an

active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Issue Price of our Equity Shares will be determined by Company in consultation with Lead Manager. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 130 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

**59. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investors demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares in accordance with Section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchange, we the stock exchanges, we are required to refund all monies collected from investors.

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

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

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

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

## **EXTENRAL RISKS:**

### **INDUSTRY AND OTHER RISKS**

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

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

### **OTHER RISKS**

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

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter “Financial Statements as restated” beginning on page 239, the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

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

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1<sup>st</sup> day of October 2004 shall be available only if the acquisition of share is chargeable to Securities Transactions Tax (STT) under Chapter VII of the Finance (No. 2) Act, 2004. In case this provision becomes effective, sale shares acquired on or after

1<sup>st</sup> day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

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

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

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Industry Regulations and Policies*” on page 193 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PROMINENT NOTES:**

1. Initial Public Issue of upto 41,18,000 Equity Shares of face value of Rs. 10/- each of our Company for cash price of Rs. [●] per Equity Share (the "**Issue Price**") (including a share premium of Rs. [●] per equity share) aggregating up to Rs. [●] lakhs (the "**Issue**"), of which [●] equity shares of face value of Rs. 10/- each for cash at a price of Rs. [●]/- per equity share, aggregating Rs. [●] lakhs will be reserved for subscription by the market maker to the issue (the "**Market Maker Reservation Portion**"). The Issue less Market Maker Reservation Portion i.e. issue of [●] equity shares of face value of Rs. [●]/- each for cash price of Rs. [●]/- per equity share, aggregating Rs. [●] lakhs is hereinafter referred to as the "**Net Issue**". The Issue and the Net Issue will constitute [●] % and [●] % respectively of the fully diluted post issue paid up equity share capital of our Company.
2. Our Company is considering a Pre-IPO placement of upto 5,88,000 Equity Shares and/ or aggregating upto Rs. 450.00 lakhs with certain investors ("**Pre-IPO Placement**"). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, then the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the fresh issue, subject to a minimum issue size of 25%

of the post-issue paid up equity share capital being issued to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of 1 (one) year from the date of allotment pursuant to the Issue.

3. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “*General Information*” beginning on page 89 of this Draft Red Herring Prospectus.
4. The pre-issue net worth of our Company was Rs. 1,391.82 lakhs and Rs. 891.75 lakhs for the year ended March 31, 2018 and March 31, 2017 respectively. The book value of Equity Share (post bonus issue) was Rs. 18.21 and Rs. 11.66 as of March 31, 2018 and March 31, 2017 respectively as per the restated financial statements of our Company. For more information, please refer to section titled “*Financial Statements*” beginning on page 239 of this Draft Red Herring Prospectus.
5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

<b>Name of the Promoter</b>	<b>No. of shares held</b>	<b>Average Cost of acquisition (in Rs.)</b>
Chetan Sanghvi	43,54,900	6.32
Bhaumik Sanghvi	32,47,640	7.90

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “*Capital Structure*” beginning on page 101 of this Draft Red Herring Prospectus.

6. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer *Annexure XXXVI under the head “Related Party Transaction”* under chapter titled “*Financial Statements as restated*” beginning on page 239 of this Draft Red Herring Prospectus.
7. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 310 of this Draft Red Herring Prospectus.
8. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 101, 226, 211 and 237 respectively, of this Draft Red Herring Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.
9. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 101 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
10. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
11. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 130 of the Draft Red Herring Prospectus.
12. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the Stock exchange.
13. Our Company was originally incorporated as “Electra Accumulators Private Limited” at Vapi, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by members in Extraordinary General Meeting held on February 24, 2018 and the name of our Company was changed to “Electra Accumulators Limited” vide a Fresh Certification of Incorporation dated March 20, 2018, issued by Assistant Registrar of Companies, Ahmedabad, Gujarat. The Corporate

Identification number of our company is U29100GJ2009PLC057053. For details of Incorporation, change of name and registered office of our Company, please refer to chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 207 of this Draft Red Herring Prospectus.

14. Except as stated in the chapter titled “*Our Group Companies*” beginning on page 231 and chapter titled “Restated Party Transactions” beginning on page 237 of this Draft Red Herring Prospectus, our Group Companies have no business interest or other interest in our Company.

## SECTION III- INTRODUCTION

### SUMMARY OF INDUSTRY

The information in this section is derived from report titled “Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018” (“CARE Report”) and also includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 22 and 239 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

The CARE Report was commissioned by our Company and has been prepared by CARE Advisory – a division of CARE Advisory Research and Training Limited, for which, our Company had made a payment to CARE Advisory. CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. CARE Advisory, a division of CARE Advisory Research and Training Limited has taken due care and caution in preparing the CARE Report based on the information obtained by CARE from sources which it considers reliable (the “Data”). However, CARE does not guarantee the accuracy, adequacy or completeness of the Data/ CARE Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report.

The CARE Report is not a recommendation to buy, sell or hold an instrument in any company covered in the CARE Report. CARE Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Advisory. CARE Advisory operates independently of, and does not have access to information obtained by CARE’s Ratings Division, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CARE Report are that of CARE Advisory and not of CARE’s Ratings Division/CARE Ratings and cannot be compared to the rating assigned to the company within this industry by the ratings division.

### INTRODUCTION TO BATTERY MANUFACTURING INDUSTRY

Battery is an essential requirement to start electrically operating equipment’s, especially in electrically operated vehicles. And also, in case of mains failures or interruptions in power supply, a standby or backup power is necessary for critical applications. Therefore a battery provides the necessary power to Startup as well as standby depending on the type of application. Some of the applications of the batteries include automobiles, railways, airlines, defense, telecommunication, power stations, industries, and so on. The battery manufacturing process of each company has its own special technical patented and secret processes, which are not bound to be revealed to masses.

**Lead-Acid Batteries** - A lead-acid battery is commonly used in automobile applications and UPS systems. These batteries provide sufficient energy to start engines, and are maintenance free and durable. Mainly 98% of these batteries are recyclable, and therefore, they minimize environmental

impact while being disposed off. The lead battery is manufactured by using lead alloy ingots and lead oxide it comprises two chemically dissimilar leads based plates immersed in sulphuric acid solution. The positive plate is made up of lead dioxide PbO<sub>2</sub> and the negative plate with pure lead. The nominal electric potential between these two plates is 2 volts when these plates are immersed in dilute sulphuric acid. This potential is universal for all lead acid batteries. Therefore, a 12 volt lead acid battery is made up of six cells that are connected in series are enclosed in a durable plastic casing.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## GLOBAL ECONOMIC OVERVIEW

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

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

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

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

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

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

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

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

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

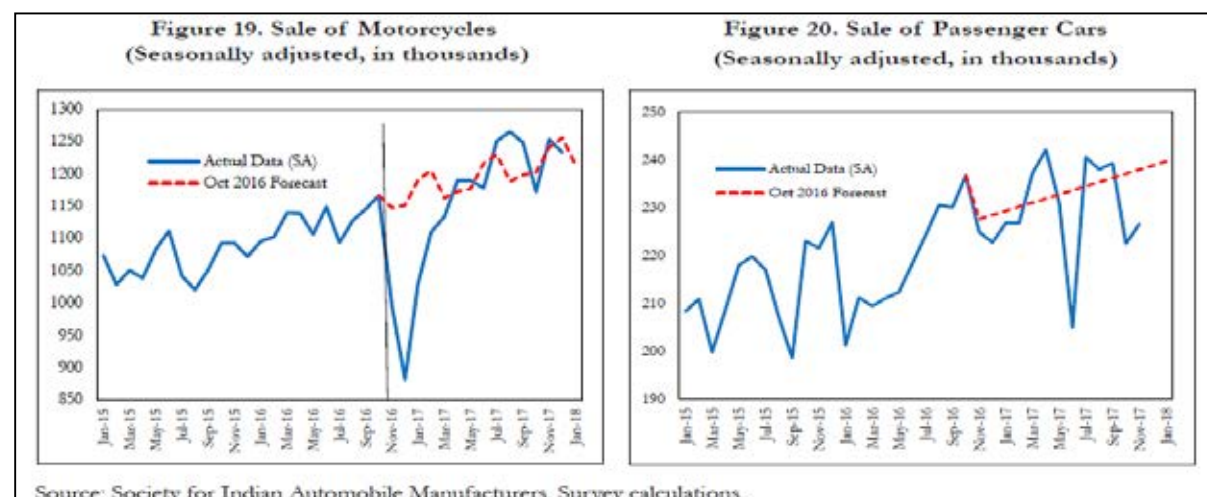
(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

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

### Economic activity

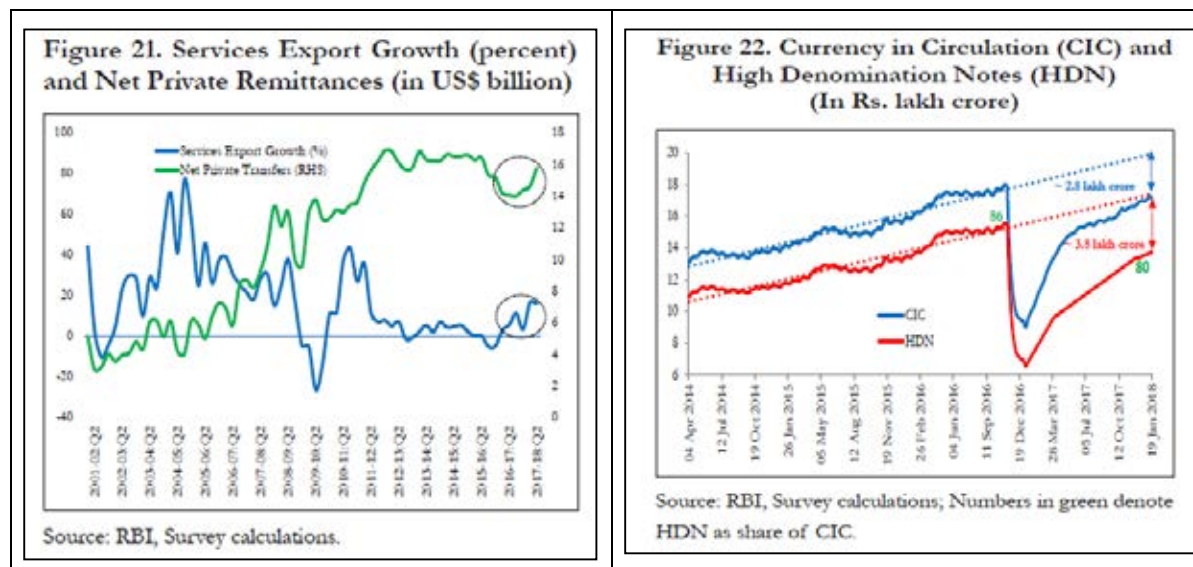
The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP,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

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





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



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

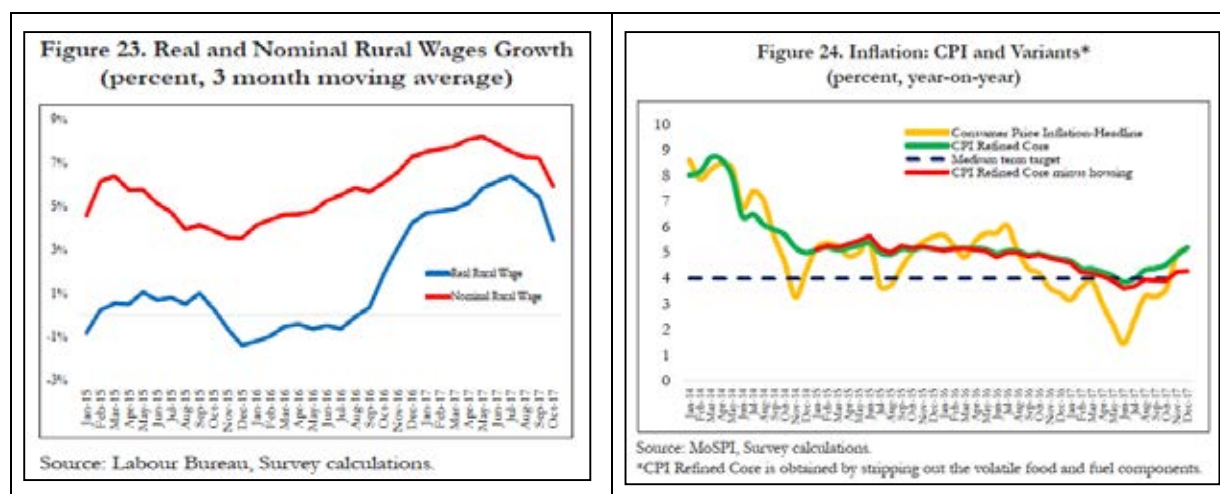
A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth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

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

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



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



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

### Macroeconomic indicators

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

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

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

### OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the

world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

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

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

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

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

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

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

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable

fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

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

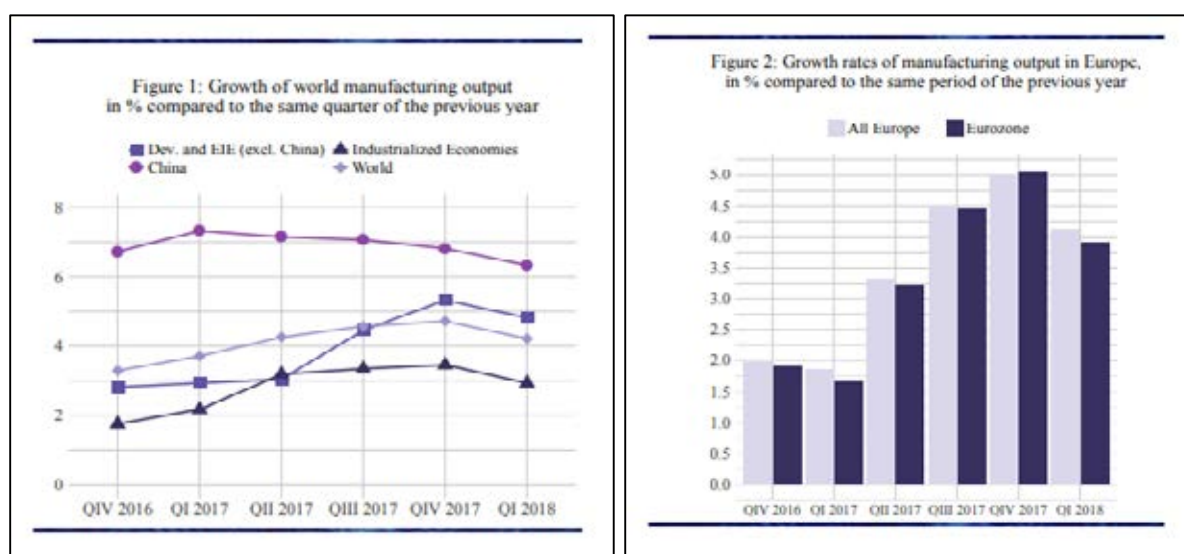
(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## GLOBAL MANUFACTURING SECTOR

### World Manufacturing Growth

Following the improved growth rate of global manufacturing in 2017 both in industrialized as well as in developing and emerging industrial economies, the year 2018 set off with major downturn risks caused by a new wave of protectionism. This development has not yet had an impact on the dynamics of manufacturing growth. New tariffs and economic sanctions announced by the United States as well as uncertainties related to Brexit are considered impending threats of another slowdown of global industrial growth. The improved growth conditions in industrialized economies in 2016-2017 continue to have a positive impact on global manufacturing. As a result, world manufacturing output maintained an impressive growth rate of 4.2 per cent in the first quarter of 2018.

Industrialized economies, accounting for more than half of world industrial output, played a major role in this development. New fiscal stimuli — above all, in the United States, but in Germany as well — are expected to further boost short-term growth. This and other factors according to the OECD will continue to drive and strengthen world manufacturing output.<sup>6</sup> As already mentioned above, increased trade tensions may, however, have detrimental effects on production growth and jobs. Data for the first quarter of 2018 generally indicate that year-over-year manufacturing growth has only decreased marginally (Figure 1). Data for China is to the extent possible presented separately from the country groups due to the size of the country's economy.



Industrialized economies continued to maintain the higher growth rates attained at the end of 2017. In the first quarter of 2018, this country group's manufacturing output rose by 2.9 per cent compared to the same period in 2017. This growth was attributable to the dynamic recovery of Europe's manufacturing sector, which increased by 4.1 per cent in the first quarter of 2018. At the same time, North America's manufacturing output rose by 2.6 per cent. The growth rate of East Asia's industrialized economies

remained below 2.0 per cent due to the poor performance of the Republic of Korea, where manufacturing output dropped by 3.1 per cent in the first quarter of 2018.

China, the world's largest manufacturer, maintained a robust year-over-year growth rate of about 6.3 per cent despite the import restrictions announced by the United States against Chinese products. The manufacturing output of developing and emerging industrial economies (excluding China) registered the most dynamic growth rate in recent quarters and achieved an overall growth rate of 4.8 per cent compared to the same quarter of 2017. Developing economies in Asia and Pacific recorded a high growth rate of 5.5 per cent in the first quarter of 2018, supported in particular by India with an impressive growth rate of 7.0 per cent. An even higher increase of 7.7 per cent was observed in the group of developing economies in the Eastern Europe region.

Latin America continued its recovery and expanded its manufacturing output by 2.7 per cent compared to the first quarter of 2017. The year-over-year growth rate of Brazil's economy of 4.4 per cent has had a considerable impact on Latin America's strong performance. Growth estimates based on limited data also showed a positive growth rate of nearly 2 per cent for Africa's manufacturing output. In short, manufacturing production expanded across all industrialized and developing regions in the first quarter of 2018 compared to the same period of the previous year, which confirms manufacturing's sustained recovery at the global level.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org) )

## **INDIAN MANUFACTURING SECTOR**

### **Introduction**

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*.

### **Market Size**

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### **Road Ahead**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on March 30, 2018

Notes: \* - According to the Global Manufacturing Competitiveness Index published by Deloitte  
(Source: Indian Manufacturing Industry Analysis - India Brand Equity Foundation - [www.ibef.org](http://www.ibef.org))

## **AUTOMOBILE INDUSTRY IN INDIA**

### **Introduction**

The Indian auto industry became the 4th largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2017.

The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Overall automobile exports from India grew at 6.86 per cent CAGR between FY13-18. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two wheeler and four wheeler market in the world by 2020.

### **Market Size**

Overall domestic automobiles sales increased at 7.01 per cent CAGR between FY13-18 with 24.97 million vehicles getting sold in FY18.

The auto industry is set to witness major changes in the form of electric vehicles (EVs), shared mobility, Bharat Stage-VI emission and safety norms. Electric cars in India are expected to get new green number plates and may also get free parking for three years along with toll waivers@. Sales of electric two-wheelers are estimated to have crossed 55,000 vehicles in 2017-18. Premium motorbike sales in India crossed one million units in FY18.

### **Investments**

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 18.413 billion during the period April 2000 to December 2017, according to data released by Department of Industrial Policy and Promotion (DIPP).

Some of the recent/planned investments and developments in the automobile sector in India are as follows:

- Ashok Leyland has planned a capital expenditure of Rs 1,000 crore (US\$ 155.20 million) to launch 20-25 new models across various commercial vehicle categories in 2018-19.
- Mahindra & Mahindra (M & M) is planning to make an additional investment of Rs 500 crore (US\$ 77.23 million) for expanding the capacity for electric vehicles in its plant in Chakan.

### **Government Initiatives**

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route.

Some of the recent initiatives taken by the Government of India are -

- The Government of Karnataka is going to obtain electric vehicles under FAME Scheme and set up charging infrastructure across Bengaluru, according to Mr R V Deshpande, Minister for Large and Medium Industries of Karnataka.
- The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The government will also set up incubation centre for startups working in electric vehicles space.

- Energy Efficiency Services Limited (EESL), under Ministry for Power and New and Renewable Energy, Government of India, is planning to procure 10,000 e-vehicles via demand aggregation, and has already awarded contracts to Tata Motors Ltd for 250 e-cars and to Mahindra and Mahindra for 150 e-cars.
- The government is planning to set up a committee to develop an institutional framework on large-scale adoption of electric vehicles in India as a viable clean energy mode, especially for shared mass transport, to help bring down pollution level in major cities.

### **Road Ahead**

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Two-wheelers are expected to grow 9 per cent in 2018.

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

***References: Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Society of Indian Automobile Manufacturers (SIAM), Union Budget 2015-16, Union Budget 2017-18***

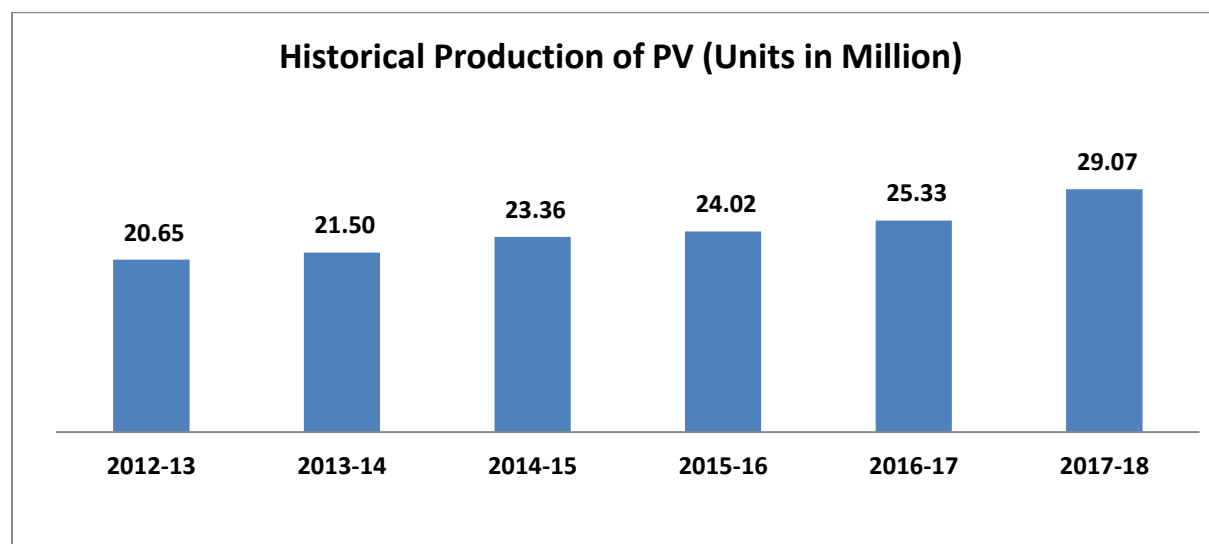
***@ - as per the draft policy on e-vehicles prepared by NITI Aayog, Government of India***

*(Source: Automobile Industry in India Analysis - India Brand Equity Foundation - [www.ibef.org](http://www.ibef.org))*

## **INDIAN AUTOMOBILE INDUSTRY**

### **Overview on Automobile Industry**

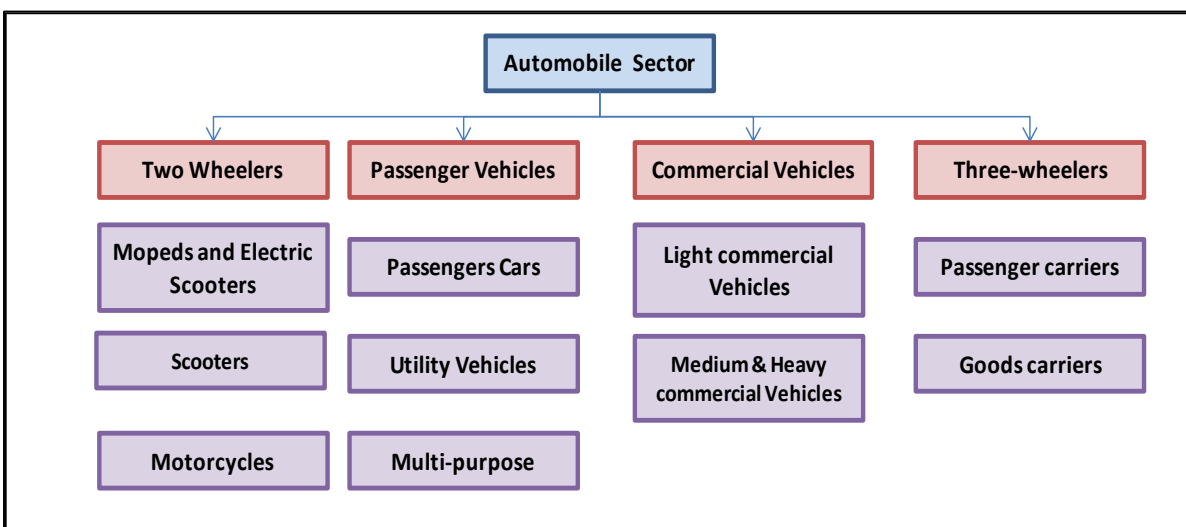
The automotive industry in India is one of the largest in the world with an annual production of 29.07 million vehicles in FY (fiscal year) 2017–18, following a growth of 15.0% over the last year.



(Source:-SIAM)

**Indian Automobile market is split in 4 segments**





Source: - Industry, CARE Research)

### Auto Industry performance FY 2017-18

In FY 2017-18, auto industry registered a sharp double-digit growth of over 14.8% y-o-y in overall sales vis-à-vis a 5.5% growth registered a year ago during the same period.

The sales were driven by strong performance registered by commercial vehicles reporting 10.4% growth in sales. Two & three wheelers segments of the industry increased by 16.1% and 30% while passenger vehicles sales increased by about 7.9% during the year according to the latest numbers of the industry body SIAM (Society of Indian Automobile Manufacturer).

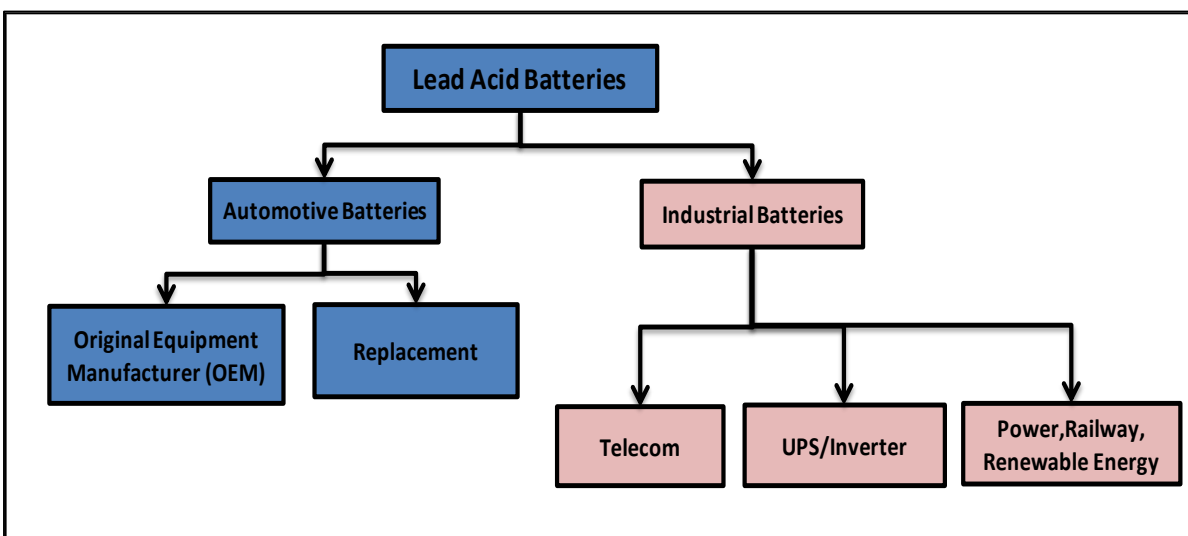
Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

### LEAD-ACID BATTERIES SEGMENT

A lead-acid battery is commonly used in automobile applications and UPS systems. These batteries provide sufficient energy to start engines, and are maintenance free and durable. Mainly 98% of these batteries are recyclable, and therefore, they minimize environmental impact while being disposed off.

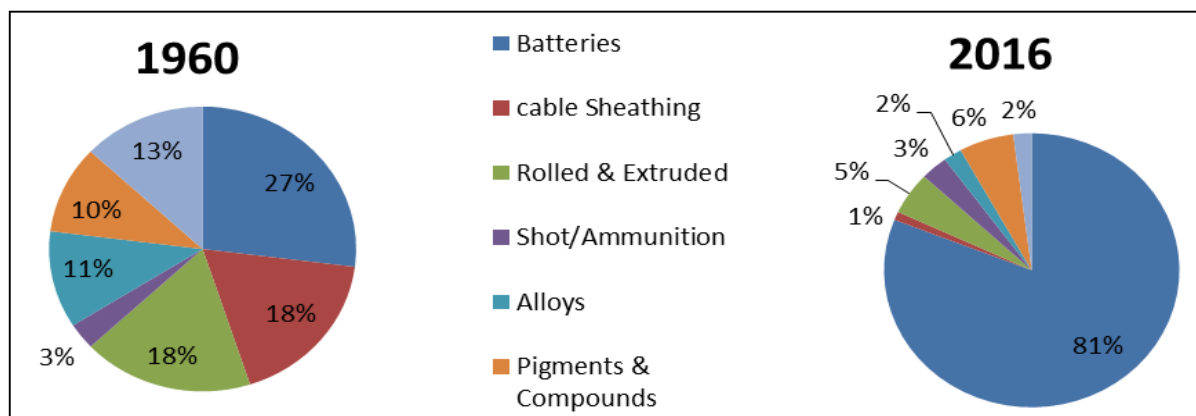
The lead battery is manufactured by using lead alloy ingots and lead oxide it comprises two chemically dissimilar leads based plates immersed in sulphuric acid solution. The positive plate is made up of lead dioxide PbO<sub>2</sub> and the negative plate with pure lead. The nominal electric potential between these two plates is 2 volts when these plates are immersed in dilute sulphuric acid. This potential is universal for all lead acid batteries. Therefore, a 12 volt lead acid battery is made up of six cells that are connected in series are enclosed in a durable plastic casing. The main parts of the battery are plates, i.e., anode and cathode plates, separators, electrolyte or sulphuric acid, case, cell connectors and terminals.

### Lead Battery Industry Structure



Lead Battery has uses in various electrical applications such as Inverter, Street Light, Automotive, UPS, Telecom, Solar Energy and Electric Vehicles due to its lower cost and Low Maintenance.

#### Global Lead End Uses



(Source: - ILZSG)

Globally major use of lead is in battery segment as compared to other segment as shown in above chart. Around 27% of the lead was used for production of Batteries in 1960 which has increased to 81% in 2016 leading more demand of lead for the production of batteries in current scenario.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

#### AUTOMOTIVE AND E-RICKSHAW BATTERY SEGMENT

Automotive and e-rickshaw battery demand depends upon the growth of Automobile Industry & Replacement cycle of Batteries.

#### Structure of Indian Automotive Industry

Automotive industry is divided into three segments as follows:

##### Auto-Components Manufacturer:

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.



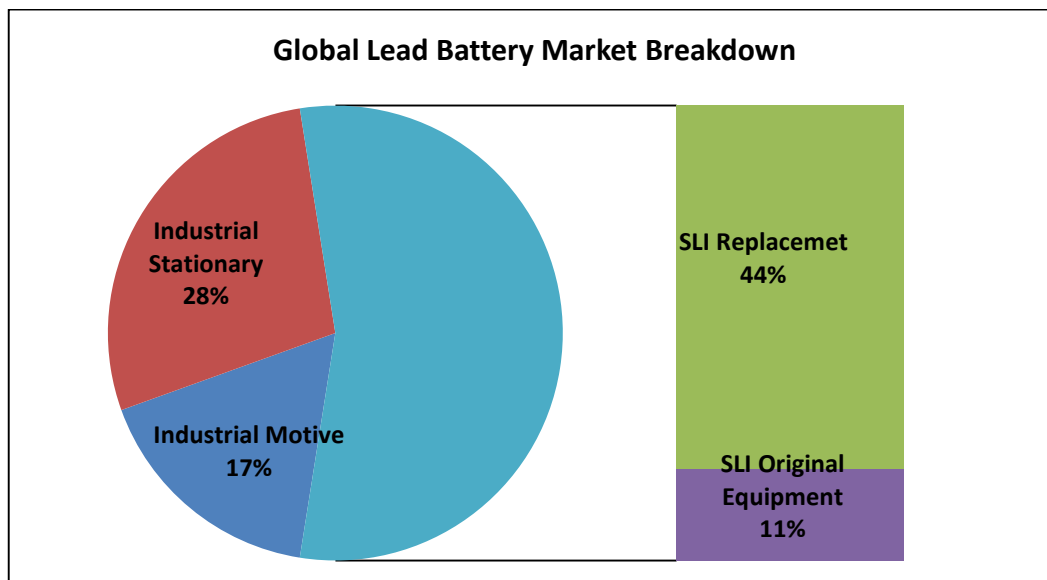
### **Original Equipment Manufacturer (OEM):**

The OEM is the original producer of a vehicle's components, and so OEM car parts are identical to the parts used in producing a vehicle. Aftermarket parts are produced by other vendors.

### **Replacement:**

Replacement segment refers to the replacement market of the auto parts after their lifespan comes to end they need to be replaced with the new one.

### **Global Trend**



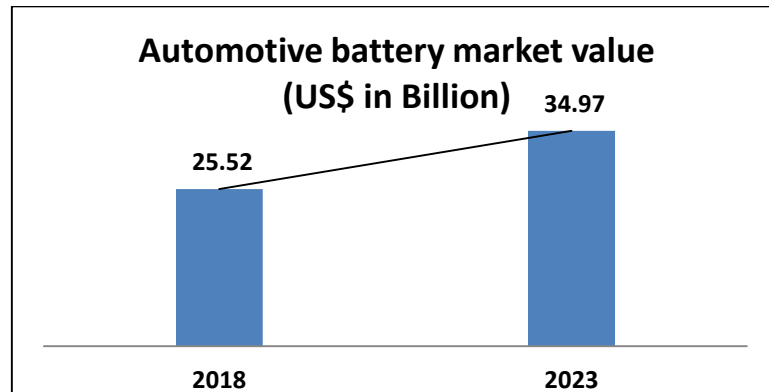
(Source-ILZSG)

Lead-acid batteries are majorly used for SLI (Starter, Lighting and Ignition) applications in conventional vehicles owing to their higher cold cranking performance, low cost, and increased reliability. Some of the key benefits of lead-acid batteries are inexpensive and simple in manufacturing, capable of high discharge rates, minimal maintenance, and superior starting capacity.

### **Lead acid battery to remain for SLI applications in EVs**

- Contrary to general perceptions, electric cars have 12v Lead Acid Battery (LAB) as auxiliary battery for SLI applications – similar to ICE engine powered car.
- LAB is preferred for its ability to provide the high surge currents needed for an automobile's starter motor, making them a reliable power source at an affordable cost
- According to research we believe LAB will continue to remain relevant even in EV world, unless there is any significant change in technology.
- However full electric 2W and 3W vehicles don't operate on lead acid battery, hence can risk existing lead acid batteries opportunities going ahead. As per research we estimate 2Ws and 3Ws contribution to automotive battery segment at 40%/4% (including aftermarket demand).

The global automotive battery market is dominated by some key vendors i.e. Samsung SD, Exide, Panasonic, and China Aviation Lithium. The market has high scope of profits ahead with the revolution of electronic vehicles across the world. The automotive battery market value is estimated to reach USD 34,967.2 million by 2023, registering a CAGR of around 6.5%, during the forecasted period of 2018 - 2023.



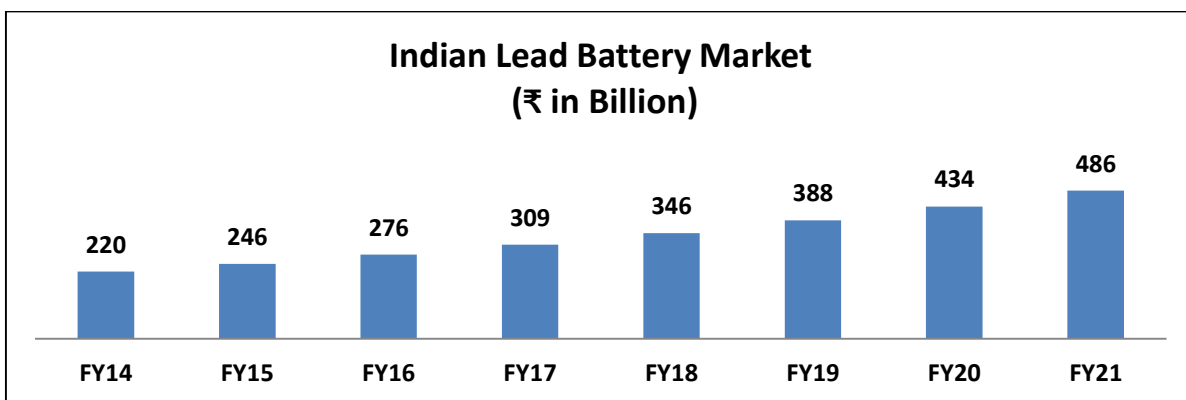
(Source: - Industry, CARE Research)

The Asia-Pacific region is expected to be the fastest-growing region in the automotive battery market and is poised to be led by countries, such as China, India, Japan, and Indonesia, which are forecasted to experience strong growth in the sales of passenger and commercial vehicles. Electric cars, which currently have very low penetration in the Asia-Pacific region, are expected to experience a boom during the coming 5 years, boosting the battery market in the region. In Indian government is also aiming to bring the electronic vehicle on the roads in 2020 and is also providing a helping hand like giving subsidies and aiding R&D to the automotive and electronic battery manufactures to kick-start the work. North America, led by the United States, Mexico and Canada, should see strong growth in the automotive battery market. Africa is predicted to emerge as a good market post-2020, as rising disposable incomes and improving infrastructure is expected to induce more people to own automobiles. South Africa, Nigeria and Ghana are set to emerge as the key markets in the region post-2020.

#### **Indian Lead Battery Industry-Current and Future Scenarios**

Growth by 2020	12% CAGR
Current Applications	Automotive (45-50%) Inverter, UPS (10-15%) Telecom & Traction (15-20%)
New Applications	Renewable Energy & Electric Vehicles (15-20%)
Exports	3-4%

#### **Projected Growth of Battery Market**



(Source: - Industry, CARE Research)

As can be seen from Above the Indian lead Battery market is expected to grow from ₹220 billion to ₹486 billion in FY21 at a compounded annual growth rate of 12%.

#### **LAB Industry revenue model**

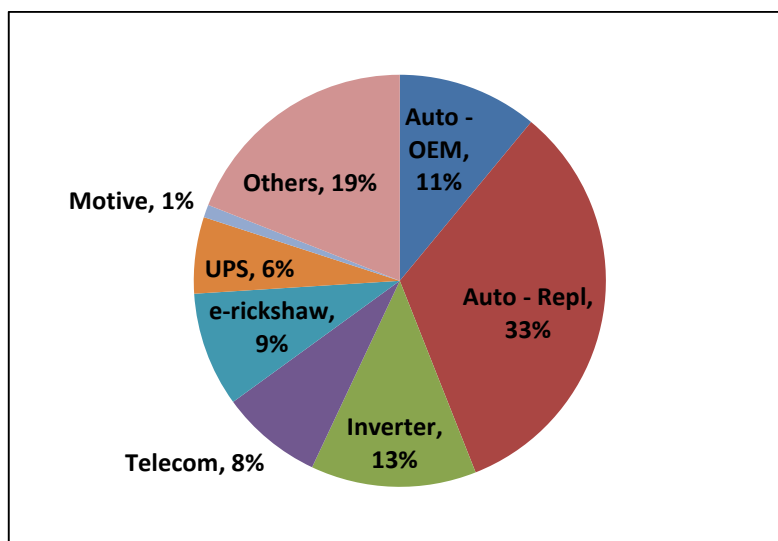
Particulars	Industry			Organized players		
₹ in billion	FY17	FY20E	FY22E	FY17	FY20E	FY22E
Auto – OEM	33.4	46.7	54.8	33	47	55
Auto - Replacement	100.1	135.3	162.2	60	95	130
Inverter	38.5	33.0	29.8	19	21	22
e-rickshaw	26	41.1	51.6	5	12	26

(Source: - Industry, CARE Research)

### Lead-acid battery evolution has kept pace with changing demand

- Lead-acid batteries have undergone remarkable evolution to keep up with changing car manufacturing technologies.
- Currently, lead-acid batteries serve all the power needs of start-stop vehicles throughout the world and are also becoming common in higher-end hybrid electric vehicles.
- According to the Advanced Lead Acid Battery Consortium (ALABC), the 12V lead-acid battery has been the mainstay of motor vehicles, and this will continue for many years to come.

### Indian LAB market of ₹309 bn market is equally split between autos & non-autos segment (%)



(Source: - Industry, CARE Research)

As can be seen from above Replacement segment offers secular & profitable growth opportunity due to the major share of auto-replacement battery which is around 33% of the total market of LAB.

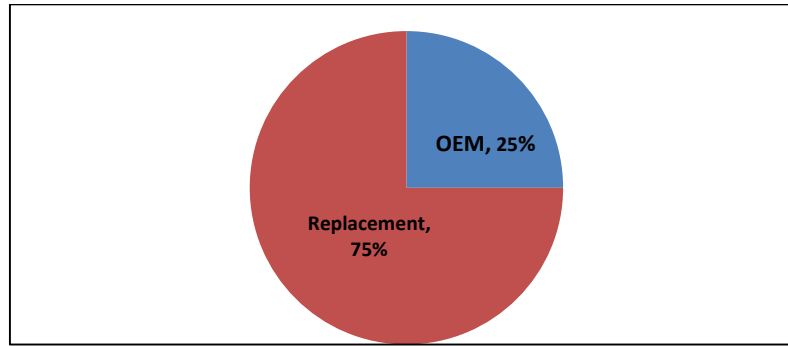
The automotive replacement battery segment offers a secular and profitable growth opportunity, driven by:-

- Increasing penetration of automobiles driving expansion in automobile population
- GST-led consolidation.

The auto replacement segment enjoys the highest profitability due to:-

- B2C nature of the business,
- High pricing power with diffused customer base, and
- Low competitive intensity.

### Automotive battery segment mix



(Source: - Industry, CARE Research)

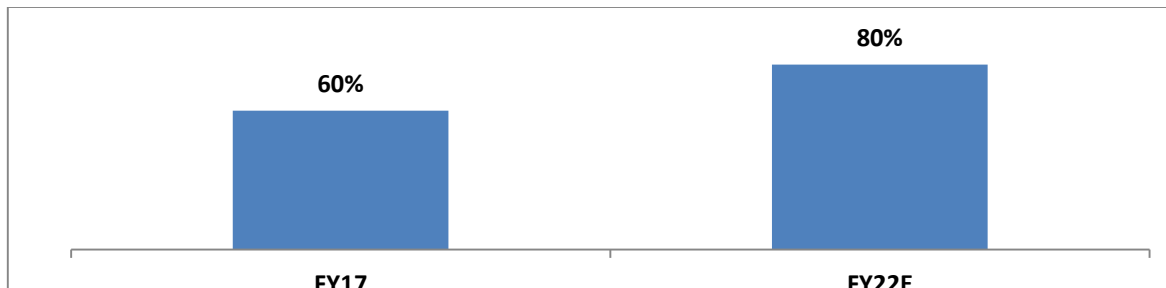
**Shift from unorganized to drive organized player growth to 16.7% CAGR.**

(₹ in billion)	FY17E	FY22E	CAGR(FY17-22E)
Organized	60	130	16.7%
Unorganized	40	32.2	-4.1%
Total Auto Replacement Market	100	162.2	10.1%
Share (%)			
Organized	60	80	
Unorganized	40	20	

(Source: - Industry, CARE Research)

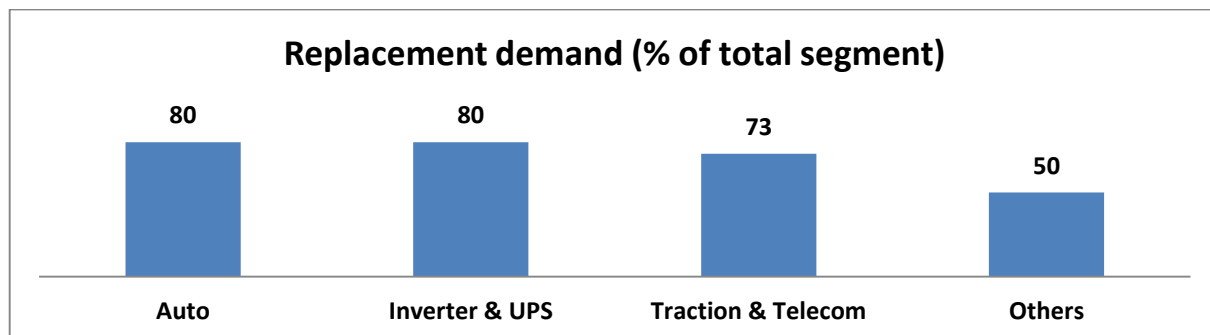
According to research in the battery replacement market we expect the share of organized players to increase from 60% to 80% by FY22. Organized players to gain share in the addressable replacement market. In the battery replacement market, we expect the share of unorganized players to reduce from 40% to 20% by FY22.

Organized players to gain share in the addressable replacement market \*



(Source: - Industry, CARE Research)

\* Total LAB - Auto OEM – Telecom



(Source: - Industry, CARE Research)

As can be seen from the above table the total replacement demand for Automotive and Inverter is as high as 80% as compared to Traction & Telecom from respective total Segment demand.

- New vehicle volume grew at a CAGR of 9.7% over FY08-17. This indicates well for demand in the replacement market, which is driven by factors such as number of vehicles in use, average battery life and average age of vehicles.
- Replacement market in India has been growing continuously with average battery life being around 3-4 years. This segment is dependent on the sales number of automotive OEM sales and with growing demand the sales are expected to increase. Considering strong structural growth story of Indian automotive industry, we believe LAB players can grab this opportunity to grow at high growth rates.
- With life of automotive vehicles at approximately 15 years, on an average it has 4 replacement cycles during the lifespan of vehicle.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## E-RICKSHAW

In 2013, Government of India launched a National Electric Mobility Mission Plan 2020 which aims to bring 6 million electric vehicles on Indian roads by 2020. The program requires an outlay of \$ 2,577.79 million for the promotion of electric vehicles in India that will help to grow the market for Electric Vehicles and in fact the demand for E-rickshaw Battery.

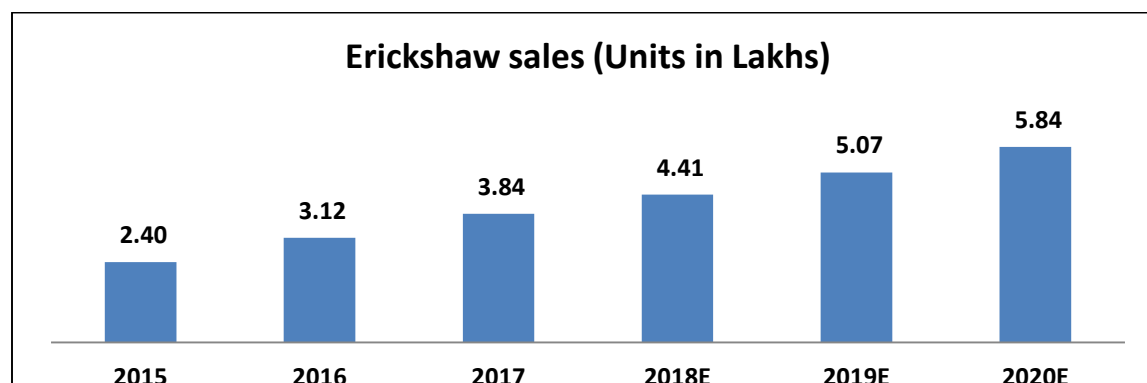
E-rickshaw is an exciting opportunity for LAB players, as one e-rickshaw has a pack of four big lead-acid batteries, with a replacement cycle of 6-9 months. The e-rickshaw battery segment is estimated to grow at 16% CAGR over FY17-20 to ₹ 41bn. With life of e-rickshaw at 2 years, it has 3 replacement cycles. Each e-rickshaw battery pack (consisting of 4 LAB batteries) cost ₹20-28k. Unlike normal SLI application, LAB is used for traction in e-rickshaws with driving range of upto 80Kms per charge. This results in very high drain of 80%, resulting in short life of 6-9 months. This segment is currently dominated by regional and unorganized players.

### Benefits of E-rickshaw

- No permit requirement (unlike auto rickshaw),
- subsidies from the state government due to zero tail-pipe emissions
- Low operating cost.

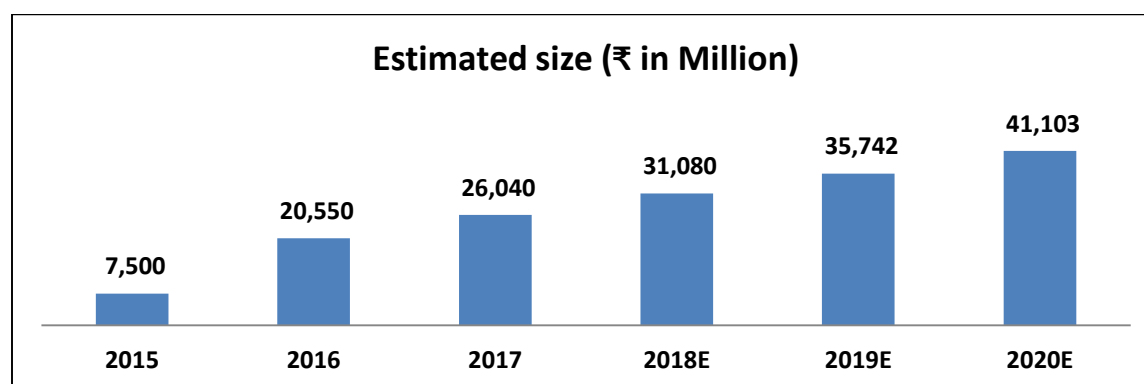
### E-rickshaw Trends and Growth

E-rickshaw battery market size of ₹31b in FY18E, which should grow to ₹41b by FY20E (16% CAGR).



(Source: - Industry, CARE Research)

E-rickshaw sales expected to grow at a CAGR of 15-20% over FY17-20.



(Source: - Industry, CARE Research)

E-rickshaw battery market to grow at 16.4% CAGR over FY17-20.

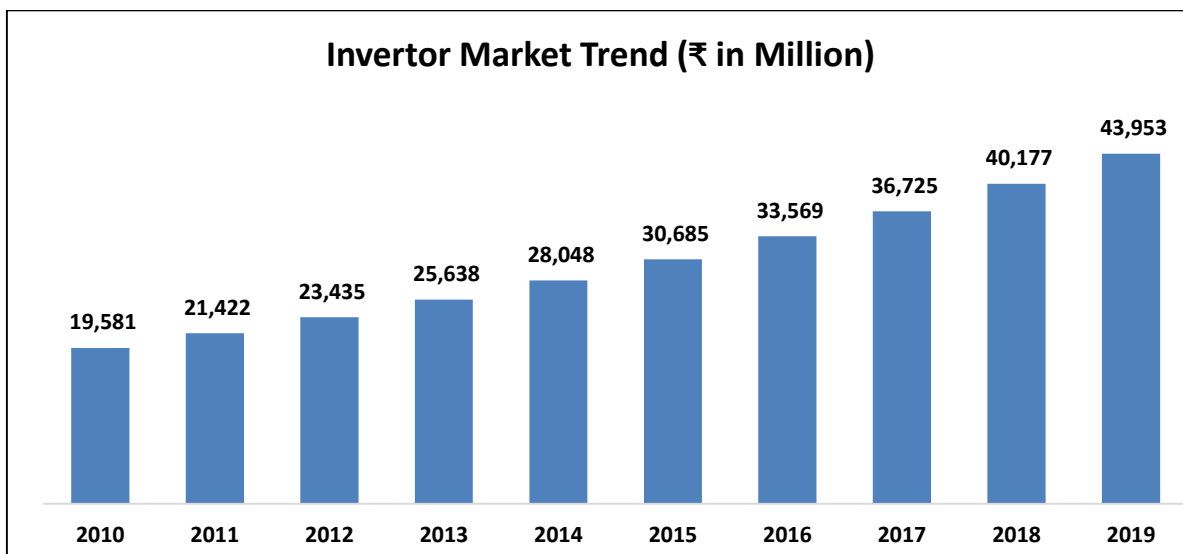
Battery opportunity	2015	2016	2017	2018E	2019E	2020E	CAGR (FY17-20E)
E-rickshaw sales (units)	2,40,000	3,12,000	3,84,000	4,41,600	5,07,840	5,84,016	15.0%
OE (₹ m)	4,800	7,680	7,680	8,832	10,157	11,680	15.0%
Replacement (₹ m)	2,700	18,360	18,360	22,248	25,585	29,423	17.0%
Estimated size (₹ m)	7,500	26,040	26,040	31,080	35,742	41,103	16.4%

(Source: - Industry, CARE Research)

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com)

#### INVERTERS SEGMENT:

The growth in India inverters market has been attributed to the demand and supply gap between electric energy in India and the increasing purchasing power of Indian consumers. The decreasing tolerance for long power cuts among consumers in rural and semi-urban areas is also a major factor behind the growth of this market. The revenue generated by the India inverter industry in FY2010 was ₹ 19,581.1 million which increased to ₹ 40,177 million during FY2018, witnessing a CAGR of 9.4% for the period FY2010-FY2018.



(Source: - Industry Research, CARE Research)

The UPS and Inverter market in India has experienced a growth in recent years on account of mounting demand fuelled by the demand and supply gap in the electric power supply. The Indian UPS market is largely dependent on a low range (up to 25 KVA), accounting for more than half of the total UPS market. However, this inclination is set to change due to rising applications of UPS and inverter systems in the industrial sector.

The factors that are influencing this market growth include an understanding of the need for backup power and the cost of not protecting power sources when utility outages do occur, the state of the national power grid, the increasing likelihood of power cuts if the situation is not improved, and the convergence of voice and data networks and an increased reliance on digital networks, phone systems and business equipment. Amidst increasing level of pollution in the Delhi- NCR, the authorities have banned the use of diesel generator; the city is forced to explore the alternative sources of power. Few of us know that the inverters today are equipped with state-of-the-art technology and are capable of handling high capacity. They are thus capable of filling the void and are the answer to city's growing concerns about environmental pollution. The inverters and UPS are a much safer, cleaner and thus a more viable option. On the other hand, a generator is pricey, both in the terms of operation and maintenance. Even the fuel used in a generator is costly and one needs to take extra caution to store it. Handling the generator is not easy and if a person does not use it properly, it can be dangerous. A running generator releases harmful fumes (which are basically NOX gas) which are injurious to human health as well as for the environment.

Although most of the UPS and power backup systems are used in the information technology (IT) and telecommunication industries to protect data, many industrial processes are now microprocessor and PC-based and are very susceptible and sensitive to power disturbances. The demand in the Indian inverter/UPS market has increased due to constant power outages and a strong push from the government to accelerate the National Solar Mission.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## **SOLAR (RENEWABLE ENERGY SEGMENT):**

### **Global battery market: An overview**

Batteries generally refer to the technologies that are used for the purpose of energy storage, which can be utilized later during power shortages, blackouts or during peak demand. These technologies mainly include pumped-hydro storage systems, advanced batteries, flywheels, and other evolving technologies.

Solar batteries with solar PV systems can be connected to the grid or can be off-grid. Off-grid energy storage systems that are meant for standalone power systems are used to complement diesel generators or intermittent renewables sources by providing backup during low voltage or power outages. Energy storage systems using batteries are useful when the amount of electricity generated is greater than the demand.

The solar power industry has seen dramatic growth in recent years, and with the increase in the solar industry and its installed capacity, the price of solar panels and solar power systems has declined drastically over a period of time.

### **Growth of the global solar batteries market**

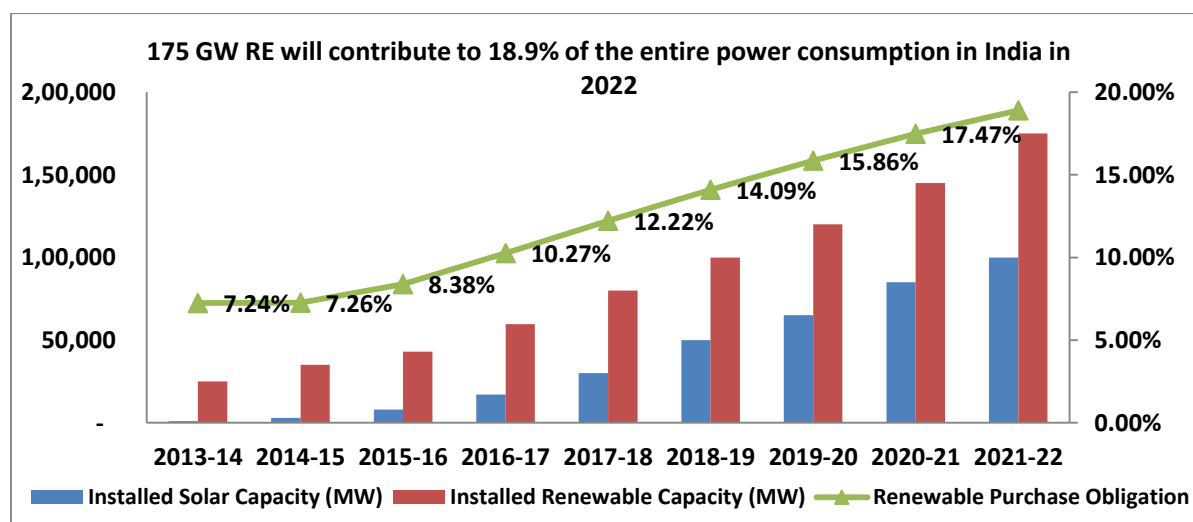
The growth of the global solar batteries market is driven by several factors. One of the main drivers in this market is the increasing solar energy consumption. Due to growing power use, governments across the world are shifting their focus to solar technology to increase their overall electricity production. This in turn is expected to propel the growth of the market during the forecast period. Another major driver for this market is the increase in government support for solar energy projects.

Despite the presence of several challenges, the global solar batteries market is expected to witness rapid growth due to some emerging trends that could exert a positive impact on the market. One such trend is the reduction in solar PV cost. Thus, the combined effect of drivers and challenges is expected to propel the growth of the global solar batteries market during the forecast period.

### **India Solar Plan**

India has set an ambitious target of reaching 100 GW of solar capacity by 2022, up from around 5.2 GW by January 2016. According to the 18th Electricity Power Survey (EPS) from Indian government, the country's peak demand will exceed 285 GW by the end of 2022. This will correspond to about 8% of power demand being generated by solar systems across the country in 2022.

The solar power sector is a fast-developing industry in India. India is committed to its renewable energy target of having 175 GW capacities by 2022 to provide equitable sustainable development, a senior official has said. India has been pursuing its goals of setting up renewable energy capacities and changing its energy mix, and will continue to do so to provide equitable sustainable development, C K Mishra, Secretary, Ministry of Environment, Forests and Climate Change said in a statement. The Government of India has set a target of 175 GW renewable power installed capacity by the end of 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power.



India attains global 4th and 6th position in global Wind and Solar Power installed capacity By November 2017, a total of 62 GW Renewable Power installed, of which 27 GW installed since May



2014 and 11.79 GW since January 2017. Ambitious Bidding Trajectory for 100 GW capacity of Solar Energy and 60 GW capacity of Wind over the next 3 years laid down.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## **DEMAND DRIVERS OF THE BATTERY INDUSTRY**

### **Key Demand drivers for Automotive Battery in India**

- Growing demand from OEMs in line with their capacity expansion and new product launches
- Rising personal disposable income will increase the sales of two wheelers in India owing to high preference of such vehicles as a mode of transportation
- Rising environmental concerns, coupled with volatile oil prices may persuade consumers to use electric powered vehicles.
- Growing replacement demand, which is not only less cyclical, but also enjoys higher profitability
- Lead acid batteries are relatively cheaper as compared to other batteries and can be manufactured with relatively lower technology equipment, which in turn is projected to keep their demand high through 2025

### **Factors driving demand for e-rickshaws**

- Affordable mode of last mile connectivity
- Easy registration where permits are still not mandatory
- Government pushes as zero pollution vehicles
- Financing from local NBFC's

### **Key growth drivers of inverter segment in India**

- Insufficient capacity and inefficiency of grid for distribution of power are factors that are driving UPS and inverter battery demand
- Growth in datacenters driven by increasing use of cloud applications
- Increasing number of servers
- UPS architectural change to faster back-up - premium product
- Smart city projects related government initiatives

### **Key growth drivers for Solar Battery in India**

One of the main reasons the solar industry is growing in India is the fact that the country itself is developing. Good power supply is one of the key enablers of development. India's power requirement is expected to grow by more than 5% over the next decade, while supply is projected to fall short by 3.6%. Since traditional energy sources are not enough to match the pace of growth in demand, there is a need to look for alternatives – and solar energy fits the bill due to this reason the demand for Solar Battery will increase.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## SUMMARY OF OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 21 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 22 and 239, respectively.

### OVERVIEW

Our Company was originally incorporated as “Electra Accumulators Private Limited” at Vapi, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by members in Extraordinary General Meeting held on February 24, 2018 consequent to which the name of our Company was changed to “Electra Accumulators Limited” vide a Fresh Certification of Incorporation dated March 20, 2018, issued by Assistant Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification number of our company is U29100GJ2009PLC057053.

Incorporated in the year 2009, we have established ourselves as a brand, manufacturing wide range of Automotive, Inverter, E-Vehicle and solar batteries. We are mainly engaged in manufacturing of lead acid batteries which are used in Automotive, Inverter, E-vehicle and Solar industries under the brand name of “Electra” and “Geo Power”.

Our Company is an ISO 9001:2015 and ISO 14001:2015 certified. Certain of our products are certified by IEC 60896-11 norms & IEC 61427-1:2013 norms. Our E-Vehicle batteries are tested and approved by International Centre for Automotive Technology (ICAT) and our Solar Batteries are tested and approved by Central Power Research Institute (CPRI), i.e. MNRE approved Laboratory.

Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi are the guiding force behind the strategic decision backed by industry experienced professionals to run the operations. Further, our Promoter and Chairman, Mr. Chetan Sanghvi is President of Indian Battery and Accessories Industries Welfare Association. Bhaumik Sanghvi, joined the board of our Company in the year 2013 and since then he is directly involved in developing, planning, scheduling, and supervising the operations of the Company.

Being engaged in batteries industry which is largely dominated by unorganized sector competing on pricing, supplying qualitative products is of utmost importance in our industry and we strive to ensure that we adhere to quality standards. We believe in manufacturing and delivering quality products and our manufacturing process is under constant supervision by Engineers. We are dedicated towards

supply of quality products by controlling the procurement of standard raw material, monitoring the process parameters, maintaining appropriate measures to manage hazardous materials and to comply with applicable statutory and regulatory requirements of our products.

Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process and easy logistics. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is integrated from procurement of raw materials to final testing.

We have in-house testing laboratory to test our raw materials to match the quality standards. Before commencement of the manufacturing process, the raw materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are checked in our in-house testing laboratory to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched.

#### **LOCATIONAL PRESENCE**

**Registered Office:** 19, Mahavir Nagar, N.H. No.:8, Vapi – 396195, Gujarat, India.

**Corporate Office:** Office No. 33-A, Vidhya Villa Compound, Old Nagardas Road, Andheri East, Mumbai – 400 069, Maharashtra, India.

#### **Manufacturing Units**

Sr. No.	Address
1	Plot No. 136/I/1, GIDC, 2nd Phase, Vapi- 396195, Gujarat, India
2	Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat, India
3	Plot no. 165/A/4 & 165/A/5 , Vapi, Valsad, Gujarat, India

#### **Branch Offices**

Sr. No.	Location	Address
1	Haryana	Shop No.6, Anaj Mandi, Nilokheri- 132117, Karnal, Haryana
2	Rajasthan	29, Purohit Ji Ka Bass, Godam, Jaipur- 302006, Rajasthan
3	Maharashtra	Opp. Apexa Mangal Karyalaya, Near Vithal Mandir, Phursunghi, Pune- 412308, Maharashtra
4	New Delhi	513 & 514 No 513 & 514plotno 8 SG Shopping Mall Sec 9 Rohini New Delhi 110085
5	Madhya Pradesh	29, Kibe Compound, Shop No.13, Meer Complex, Indore-452001, Madhya Pradesh
6	Uttar Pradesh	E-125, Transport Nagar, Phase-1, Kanpur Road, Lucknow-220612, Uttar Pradesh
7	Uttar Pradesh	Khasra No. 1080, Ground Floor, Vikash Nagar, Ghaziabad-201001, Uttar Pradesh
8	Patna	Back side of Krishna Niketan School, AT-Jakariapur, PO-Pahadi, PS - Agamkua, Dist. -Patna (Bihar),Pin -800007
9	Jammu & Kashmir	House no. 792,Lane no. 6,Talab Tillo Jammu

#### **FINANCIAL SNAPSHOT**

*Details of Revenue, EBITDA and PAT from FY 2015-16 to FY 2017-18 is as under:*

*(Amount in Rs. Lakhs)*

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
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Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Revenue from Operation	7,378.69	5,188.96	5,167.76
EBITDA	1,118.01	424.87	389.82
PAT	500.07	63.52	43.97

*Product wise revenue for our company is as under:*

*(Amount in Rs. Lakhs)*

Battery Type	FY 2017-18	FY 2016-17	FY 2015-16
Battery (All types of batteries)	6,597.38	4,688.84	4,714.25
Others (Solar & Accessories)	781.31	490.22	453.51
<b>Revenue from Operation (excluding Other Operating Income)</b>	<b>7,378.69</b>	<b>5,179.07</b>	<b>5,167.76</b>

*Geographical wise revenue for our company is as under:*

*(Amount in Rs. Lakhs)*

Region	FY 2017-18	%	FY 2016-17	%	FY 2015-16	%
<b>DOMESTIC</b>						
Gujarat	1,080.75	14.65%	372.12	7.19%	365.27	7.07%
Delhi	360.72	4.89%	76.35	1.47%	1.91	0.04%
Haryana	573.94	7.78%	388.47	7.50%	229.34	4.44%
Rajasthan	479.57	6.50%	207.43	4.01%	137.71	2.66%
Madhya Pradesh [MP]	311.00	4.21%	73.73	1.42%	12.29	0.24%
Maharashtra	1,385.87	18.78%	812.69	15.69%	920.47	17.81%
Punjab	155.01	2.10%	192.70	3.72%	1.77	0.03%
Uttar Pradesh [UP]	2,663.44	36.10%	2,314.90	44.70%	2,161.18	41.82%
Andhra Pradesh	1.18	0.02%	4.51	0.09%	17.55	0.34%
Bihar	81.09	1.10%	12.38	0.24%	23.78	0.46%
Kerala	123.39	1.67%	497.96	9.61%	960.30	18.58%
Uttarakhand	3.46	0.05%	-	0.00%	86.47	1.67%
Goa	17.03	0.23%	16.94	0.33%	-	0.00%
Jammu & Kashmir	120.39	1.63%	61.69	1.19%	-	0.00%
Telangana	21.84	0.30%	147.21	2.84%	249.71	4.83%
<b>Revenue from Operation (excluding Other Operating Income)</b>	<b>7,378.69</b>	<b>100%</b>	<b>5,179.07</b>	<b>100%</b>	<b>5,167.76</b>	<b>100%</b>

## BUSINESS PROCESS

Our Company follows the following process in general for smoothly running its business operations:

### RAW MATERIALS PURCHASE

For Lead acid Battery, main input materials are Selenium Lead, Grey Oxide, Red lead and Acid. Incoming materials are tested in Lab on sample basis and if the materials specification meets our quality

checks, materials are passed for further process and production department are intimated to use the material, else the same are rejected. All the Raw Materials are purchased from domestic suppliers.

### **CASTING & AGING**

In casting process, lead alloy ingots (Lead Blocks) are melted and this melted lead is poured into the patterns of battery grids and casted into grids (Supporting frames) and other small components. These casted grids and components are kept for ageing so that the grids and components cool down and harden.

### **PLATE MANUFACTURING**

After the casting process, Plates are manufactured. Our company manufactures two kinds of plates.

1. Tubular Plates – Tubular plates are used in manufacturing of Inverter Batteries & Solar Batteries.
2. Flat Plates – Flat plates are used in Motor Cycles Batteries, E-Vehicles Batteries and Automotive batteries.

<b><u>Tubular Plates manufacturing process</u></b>	<b><u>Flat plates manufacturing process</u></b>
<ul style="list-style-type: none"> <li>❖ <u>Tubular Bag Filling</u> Spine Casting are filled in different Bags according to the grid size and checked via fitment and visual inspection.</li> <li>❖ <u>Blend Mixing, Oxide Filling &amp; Bottom Bar Fitment</u> Grey Oxide and Red Lead are mixed in the specified proportion. The Blend mixed above is filled into the Tubular Bag. Then they are being covered by the Cap called Bottom Bar.</li> <li>❖ <u>Acid Pickling</u> The Plates are then dipped in to the acid tank which is filled with acid with specified gravity and left for specified timing.</li> </ul>	<ul style="list-style-type: none"> <li>❖ <u>Paste Mixing</u> Pastes are made of Grey oxide, Red Lead, Acid, Water and other active materials. Two types of Pastes are made - Positive and Negative. Paste mixing tests are carried out by the paste density and the paste density is checked through the penetration process.</li> <li>❖ <u>Pasting</u> Pasting is a process in which, Grid Castings are pasted by the paste made in paste mixing process. Weights are controlled during the process.</li> <li>❖ <u>Curing</u> All the Plates are hanged on the racks and inserted in the curing chamber. Through Steam humidity is generated inside the room, which helps the plates to cure.</li> </ul>

### **FORMATION**

Formation process is done for charging both the positive and negative plates. Here, the plates are dipped into the acid mixer and the plates are charged. After this the plates are dried.

### **ASSEMBLY & TESTING**

The Plates are then grouped using the group burning rack and arranged for assembly. The plates are enveloped by an envelope called separator to prevent positive plates from touching the negative plates directly to avoid any damage. Assembled container is then connected with each cell by welding process and batteries are sealed by heat sealing process. During this process various tests are also conducted such as Short Circuit Test, Air-Pressure Test etc. then Bar Code no. is punched on the Battery.

### **ACID FILLING & CHARGING**

After assembly and testing, Acids with specified gravity are filled through the hole of the Lids inside the batteries. Filled batteries are sent for charging. After charging time, Acid Levels are maintained by again pouring the acid which has been evaporated during the charging process.

### **WASHING, CLEANED, RANDOM BATTERY TEST**

The battery Lids are fitted with the cap called vent plugs and batteries are washed thoroughly and cleansed. Batteries are tested randomly by back up tests, gravity and voltage inspection to ensure the quality of product and then the product is packed and dispatched.

## **PRODUCT RANGE**

### **Product Range**

Our Company is engaged in manufacturing of lead acid batteries and its components. We undertake to execute project of solar installation with batteries which caters to various industries such as automobile, two wheelers, Industrial material handling equipment, Inverter / UPS, nonconventional energy storage like solar, wind mill, tidal wave system require this products. Such batteries store electrical energy in the form of chemical energy when charged and give back electrical energy during discharge. Electric road vehicles, e rickshaws, etc. move on power supplied by batteries.

Details of all the products manufactured by our company is mentioned below-

These batteries supply electrical energy to a motor vehicle. They are also known as SLI battery (starting-lighting-ignition). Main purpose of such batteries is to start the engine with supply of very high current for just few seconds. After engine starts and gets sufficient speed, the alternator/dynamo system of the vehicle generates electric power to charge the battery back and supply power to other accessories.

The SLI battery supplies extra power when the vehicle's electrical requirements exceed the supply from the charging system. It acts as a stabilizer, smoothing out potentially damaging voltage spikes. SLI batteries use six series-connected cells to provide a nominal 12 volt system (in most passenger vehicles and light trucks). Some multi axel heavy trucks, earth-moving equipment use 24 Volt system i.e. 2 batteries of 12 Volt connected in series.

Electric vehicles are powered by a high-voltage electric vehicle batteries, but they generally have an automotive battery as well, so that they can use standard automotive accessories which are designed to run on 12 V.



Model	Rated Capacity Ah @ C20	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
EPN 35L	35	197*129*27±5mm	24	9.5±0.250	Three wheeler, Tempo
EPN38B2 0L/R	35	197*129*27±5mm	24	11±0.250	Zen/1000/esteem/swift [p]/sx4[p]/ritz[p]/Hyundai santro, matiz, Mitsubishi Lancer/ Honda city/ Toyota corolla/ Toyota Innova[p], Honda jazz/MarutiAlto,wagon R/ Zen Estilo/ baleno, ecco, Chevrolet Spark
EPN60L	60	260*173*25±5mm	24	16.5±0.400	Taxi
EPN70L/ R	65	260*173*25±5mm	24	17.8±0.400	Indica [d]/indigo [d]/Chevrolet Optra/ tavera/ peugot [d]/ Mitsubishi pajero [d]/ bajajGc 1000/ ape/ mahendra pickup/ scorpio/ bolero/ Toyota Qualis/prado/ innova[d]
EPN80L/ R	75	306*173*25±5mm	24	21.4±0.400	Sumo/ mobile/ tata 407/ m & m Armada/ marshal/ commander, cabstar/ Voyager/load king
EPN90	90	410*176*234±5mm	24	26.5±0.400	Eicher [all Models]/ tractor [all Models]
EPN100	100	410*176*234±5mm	24	28±0.400	Escord/ new Holland Tractor
EPN120	120	511*182*257±5mm	24	34.5±0.500	Tata 151/1510/1109/1610/807/909/haulage – cargo/ L & T Loader/ L & T Compactor – VC 752/VC1107/JCB Backhoe Loader – 3dx/4dx/4d Excavator -3d
EPN135	135	511*182*257±5mm	24	38±0.500	Tata 151/1510/1109/1610/807/909/ Haulage – Cargo/ L& T Loader/ L & T Compactor – VC 752/VC 1107/ JCB backhoe Loader – 3dx/4dx/4d Excavator JS210 LC, Excavator 3d, excavator, JS120, Excavator JS200hd, Excavator JS205, Excavator JS210 LC 4d, Loader 3dx extra, Loader 3dx Super, Loader 3dx, Loader 4dx, Telcon – Crane – Tata320, Crane – TCF-75, EX2500, FEL –TWL3036, Road Making Equip Tata VM3, TWL

EPN150	150	512*222*2 57±5mm	24	41.5±0.500	CNG Buses/ Tata 1612/1613/2516/Swaraj 1107/ KirloskarGenset 625 -750 KVA/ Telcon – Hydraulic Excavator EX300/Ex 350V/Cheetah/ Viking/ Cruiser – Re/panther- Re/ Vestibule
EPN180	170	521*278*2 70±5mm	24	51.75±0.500	Tata Motors/ Benk D 50/ Excavators KirloskarGanset/ Escord JCB
DIN 44	44	209*173*1 90±5mm	36	13.75±0.400	Volkswagen Vento 1.6L AT Highline Petrol, Volkswagen Ameo 1.2L MPI, Volkswagen Vento 1.6 Petrol, Volkswagen Polo 1.6 Petrol, Volkswagen Polo 1.2 Petrol, Tata Bolt Petrol, Tata Zest Petrol, Tata Indigo CS Petrol, Tata Indica Vista Petrol, Tata Indigo Marina Petrol, Tata Indigo Petrol, Tata Indigo Manza Petrol, Tata Indica Xeta Petrol, Skoda Rapid 1.6 Petrol, Skoda Fabia 1.2 Petrol, Premier Padmini Petrol, Mahindra Verito 1.4 Petrol, Ford Ecosport Diesel, Ford Ecosport Petrol, Ford New Ikon 1.3 Petrol, Ford New Ikon 1.4 Diesel, Ford Fusion Diesel, Ford Mondeo Diesel, Ford Fusion Petrol, Ford Mondeo Petrol, Ford Ikon Old Diesel, Ford Ikon Old Petrol, Ford Figo 1.4 Petrol, Ford Figo 1.4 Diesel, Ford Figo 1.2 Petrol , Ford Fiesta Classic 1.6 Petrol , Ford Fiesta Classic 1.4 Diesel , Ford Fiesta Diesel , Ford Fiesta Petrol , Fiat Petra Petrol, Fiat Avventura Petrol, Fiat Uno Petrol, Fiat Palio Petrol, Fiat Grande Punto 1.2 Petrol, Fiat Grande Punto 1.4 Petrol, Fiat Linea 1.4 Petrol, Chevrolet Sail Hatchback Petrol, Chevrolet Beat Petrol
DIN 55	55	240*175*1 90±5mm	36	16.5±0.400	Volkswagen Vento Old, Tata Bolt Diesel, Tata Zest Diesel, Tata Indica eV2 Diesel, Tata Indigo CS Diesel, Tata Indigo Manza Diesel, Tata Indigo Marina Diesel, Maruti Suzuki Celerio Diesel, Fiat Palio Adventure 1.6 Petrol, Fiat Siena Diesel, Fiat Palio Diesel, Fiat Uno Diesel, Opel Corsa Diesel, Opel Corsa Petrol, Chevrolet Aveo 1.6 Petrol, Chevrolet Aveo 1.4 Petrol, Opel Astra Petrol



DIN 66	66	277*175*1 90±5mm	36	20.75±0.400	Maruti Suzuki Ciaz 1.3 Hybrid, Maruti Suzuki S-Cross (Crossover) 1.6L, Maruti Suzuki Ertiga Diesel, Maruti Suzuki Ritz Diesel, Maruti Suzuki SX4 Diesel, Maruti Suzuki Swift Diesel, Maruti Suzuki Dzire Diesel, Hyundai Neo Fluidic Elantra 1.6 Diesel, Chevrolet Optra Magnum Petrol
GEO 35 R/L	35	197*129*2 27±5mm	24	9.5±0.250	Zen/1000/esteem/swift [p]/sx4[p]/ritz[p]/Hyundai santro, matiz, Mitsubishi Lancer/ Honda city/ Toyota corolla/ Toyota Innova[p], Honda jazz/MarutiAlto,wagon R/ Zen Estilo/ baleno, ecco, Chevrolet Spark
GEO 70 R/L	65	260*173*2 25±5mm	24	16.5±0.250	Indica [d]/indigo [d]/Chevrolet Optra/ tavera/ peugot [d]/ Mitsubishi pajero [d]/ bajajGc 1000/ ape/ mahendra pickup/ scorpio/ bolero/ Toyota Qualis/prado/ innova[d]
GEO 80 R/L	75	306*173*2 25±5mm	24	20.5±0.400	Sumo/ mobile/ tata 407/ m & m Armada/ marshal/ commander, cabstar/ Voyager/load king
GEO 90	90	410*176*2 34±5mm	24	25.5±0.400	Eicher [all Models]/ tractor [all Models]
GEO 100	100	410*176*2 34±5mm	24	27±0.400	Escord/ new Holland Tractor
GEO 130	130	511*182*2 57±5mm	24	36.5±0.500	Truck
GEO 150	150	512*222*2 57±5mm	24	40.5±0.500	CNG Buses/ Tata 1612/1613/2516/Swaraj 1107/ KirloskarGenset 625 -750 KVA/ Telcon – Hydraulic Excavator EX300/Ex 350V/Cheetah/ Viking/ Cruiser – Re/panther- Re/ Vestibule

### **Electric Vehicle batteries:**

These are powered by battery, but they generally have higher voltage system. Automotive batteries connected in series can be used since easily available in the market. The present market requirement is economical battery and limited warranty. Pasted plate technology used in Auto batteries is most economical. Most manufacturers use pasted plate design for this application and use automotive battery containers readily available.

Tubular Battery uses technology that seals the active material in tough polyester tubes called gauntlets. Active material shedding and grid corrosion is reduced with such tubular design ensuring long life of

such batteries. Owing to their toughness and durability, tubular batteries can operate at extreme temperatures, and are used in deep cyclic applications involving frequent and prolonged power outages.

Electric vehicles are powered by a high-voltage electric vehicle batteries, but they generally have an automotive battery as well, so that they can use standard automotive accessories which are designed to run on 12 V.



Model	Rated Capacity Ah @ C20	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
EEF1200	120	415*172*215±5mm	6	27.75±0.500	Electric rickshaw - Passenger / Goods
EEF1400	140	415*172*215±5mm	6	29.5±0.500	Electric rickshaw - Passenger / Goods

### **Motor Cycle batteries – Valve Regulated Lead Acid Battery (VRLA Batteries)**

VRLA Batteries are valve regulated lead-acid batteries which are prepared using Lead Plate. Absorbed Glass Mat types of VRLA can be mounted on any orientation, and do not require constant maintenance. This batteries are majorly applied in two wheelers. Our company sells VRLA Motor Cycle range of batteries under the name ELECTRA ZOMBASTIC. We sell 5 different Models of Motor Cycle batteries as mentioned below. These Models differs in terms of Size, Capacity and finds its application in wide range of two-wheelers across the industry.



Model	Ah@C10	Dimension L*W*H	Warranty (in months)	Charged Weight	Applications
Ez 2.5	2.5	80*70*105	36	1	Bajaj Motor Bikes : Caliber Croma, Boxer, Discover (KS), 4S Champion, KB 125/4S, Platine, CT 100, Wind 125, Aspire, Discover 135, Bajaj Scooters: Bravo, HeroMotoCamp Motor Bikes: Achiever (KS), CD Dawn, CD Deluxe, CD 100, CD 1 D0SS, Glamour(KS) GlamourF1 (KS) Sleek Ambition Passion Pro (KS), Splendor (KS), CBZ (KS), CBZ – gold (KS), CBZ X – Treme, Hunk(KS), HF – Dawn (KS) CB 100, Honda Motor Bikes: Shine, Unicorn (KS), Dream Yuga, Kinetic Motor Bike: Boss, Velocity (KS), Challenger, K4 100
EZ	4	98*57*110	36	1.3	Hero Motocamp: Pleasure New (ES), Honda: CB Trigger, CB Dazzler
EZ 5	5	120*61*132	36	1.9	Bajaj Motor Bikes: Discover (ES), XCD-125 & 135 DTS-Si, Discover 125 ST, Discover 100 & 125, BM 125, Pulsar 125 & 135, Bajaj Motor Scooters: Saffire, Spirit, Wave, Kristal, Hero MotoCamp Bike: Achiever (ES), Glamour (ES), GlamourF1 (ES) Passion + , Super Splendor, Hunk (ES), Hero Motorcamp Scooters: Street, Super Splendor, winner,

					Honda Scooter: Activa, Dio, Aviator, Kanda Motors Bike: Brave (ES), Mission 100 (ES), Kinetic Bikes: Velocity (ES), Kinetic Scooters: Kinetic Honda DX,ZX, Marvel, Kine, Zoom
EZ 7	7	149*61*130	36	2.4	Bajaj: Discover M, Discover H. Pulsar 150 , Discover 150, Hero MotoCorp: Achiever, CBZ, CBZ XTrem, Hunk, Karizma Vibgyor: Shark, Suzuki: GS 150 R (old Model) Yamaha: Enticer, Mahindra 2-Wheelers: Rodeo Duro, Sharda Automobiles: ufo
EZ 9	9	135*76*139	36	2.8	Bajaj Motor Bikes: Pulsar 200, Avenger, Eliminator, Pulsar 200 NS, Pulsar 220 DTS-I, Pulsar 180 DTS-I, Kinetic Motor Bikes: Kinetic 4S, GF Laser, Gf170, Kinetic Scooters: Nova 13, Nova EX, Kinetic SYM Flyte, Blaze

### Inverter Batteries

Tubular Battery uses technology that seals the active material in tough polyester tubes called gauntlets. Active material shedding and grid corrosion is reduced with such tubular design ensuring long life of such batteries. Owing to their toughness and durability, tubular batteries can operate at extreme temperatures, and are used in deep cyclic applications involving frequent and prolonged power outages. Tubular batteries are used in inverters for domestic and commercial use.



Model	Rated Capacity Ah @ C20	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
EFP 135	135	505*216*256±5mm	24	38±0.500	INVERTER/ ups

EFP 150	150	505*216*256±5mm	24	40±0.500	INVERTER/ ups
ELJT 1450	130	515*273*255±5mm	48	51±0.750	INVERTER/ ups
ELJT 1650	150	515*273*255±5mm	48	53±0.750	INVERTER/ ups
ELJT 1850	160	515*273*255±5mm	48	54.5±0.750	INVERTER/ ups
ELJT 2150	190	515*273*255±5mm	48	59±0.750	INVERTER/ ups
ELTT5000	130	503*191*410±5mm	48	54.5±0.750	INVERTER/ ups
ELTT150	150	503*191*410±5mm	36	54.75±0.750	INVERTER/ ups
ELTT1500	150	503*191*410±5mm	36	55±0.750	INVERTER/ ups
ELTT6000	150	503*191*410±5mm	48	57±0.750	INVERTER/ ups
ELTT1800	180	503*191*410±5mm	36	58.25±0.750	INVERTER/ ups
ELTT7000	180	503*191*410±5mm	48	61±0.750	INVERTER/ ups
ELTT8000	210	503*191*410±5mm	48	63±0.750	INVERTER/ ups
ELTT160024	150	503*191*410±5mm	36	55±0.750	INVERTER/ ups
ELTT170030	150	503*191*410±5mm	48	55.5±0.750	INVERTER/ ups
GEO-TT 150	150	503*191*410±5mm	48	54.5±0.750	INVERTER/ ups
GEO-TT 1600	160	503*191*410±5mm	60	57.5±0.750	INVERTER/ ups
GEO-TT 180	180	503*191*410±5mm	48	58.25±0.750	INVERTER/ ups
GEO-TJ 150	150	515*273*255±5mm	36	53±0.750	INVERTER/ ups

### **Solar Batteries:**

Energy from sun is converted into electric energy by photovoltaic cells. This energy needs to be stored so that it can be used during night and low sunshine days. Solar batteries are designed to have low antimony alloy which reduce the topping up frequency, making the battery low maintenance.

Solar battery gets charged with DC current produced by solar cells. These batteries supply DC current or AC current through inverters to electrical appliances. Large installations can feed back such power to grid. The areas where regular maintenance is difficult, maintenance free battery are chosen.



Model	Rated Capacity Ah @ C10	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
ETS 25000	20	306*173*270±5mm	36	16.5±0.400	SOLAR/IRRIGATION/WIND MILL
ETS 45000	40	410*176*234±5mm	36	25±0.400	SOLAR/IRRIGATION/WIND MILL
ETS 75000	75	503*216*290±5mm	36	38±0.500	SOLAR/IRRIGATION/WIND MILL
ETS 95000	100	503*216*290±5mm	36	43.5±0.500	SOLAR/IRRIGATION/WIND MILL
ETS 120000	120	503*216*290±5mm	36	57±0.750	SOLAR/IRRIGATION/WIND MILL
ETS 150000	150	503*216*290±5mm	36	61±0.750	SOLAR/IRRIGATION/WIND MILL
ETS 200000	200	503*216*290±5mm	36	63.5±0.750	SOLAR/IRRIGATION/WIND MILL

### **Solar Power Generating Systems**

There are 3 types of Solar Power Generating System:

**1. Grid tied solar system:**

*Main components* – Solar panel, Grid tied Inverter, Power meter/Net meter

This system has better efficiency, low cost. Solar panel generates DC current and voltage and it is fed to grid tied inverter. This inverter supply regulated AC power output and smoothen voltage and current variation from panel. Power meter between utility grid and load need to have net meter so that extra power supplied back to the grid can be monitored.

**2. Off grid solar system:**

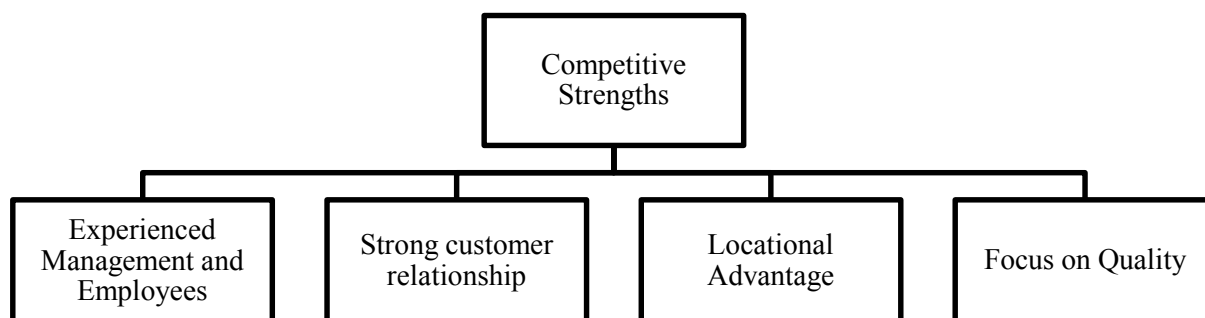
*Main components:* Solar panel, charge controller, battery bank, off grid inverter, DC disconnect switch, gen set-optional.

Solar panel generates DC current, charge controller regulates battery charging current, battery supplies DC power to off grid inverter and inverter supplies load to home appliances. This system has overall low efficiency, costly equipment and maintenance cost is high. Only in remote area, such system may be considered.

**3. Hybrid system:**

*Main components:* Solar panel, charge controller, battery bank, grid tied inverter, utility grid. This system is better when essential loads are present and utility grid power may not be guaranteed.

### **COMPETITIVE STRENGTHS**



### **Experienced Management and Employees**

With the expertise in the field of batteries, promoters of our Company play a vital role in the success of our Company. Further, our core strength lies in our employees with diversified expertise and experience, we believe that the success of our organisation lies in the efforts of our human resources.

- **Management:**

Our Promoter, Chetan Sanghvi who is on the Board of the company since inception, also serves as Chairman, looks after the overall management of the Company. He has the required experience and knowledge of the battery industry. Further, Bhaumik Sanghvi who is also Whole Time Director and Chief Financial Officer of our Company, looks after the entire functioning of the Company varying from Purchase, Production, Research & Development (R&D), Quality, Finance and Sales.

- **Employees:**

Further, our company is managed by qualified and experienced personnel who are well versed with our industry and the business undertaken by our Company. Our core strength lies in our employees, and it is particularly because of our sales and service team, which have put in tremendous efforts over the years to create a brand image in the market. We have employed people in different areas of work who have such technical competence and qualifications. We believe the strength and entrepreneurial vision of our Promoters and senior management has been instrumental in driving our growth and implementing our strategies.

### **Strong customer relationship:**

With experience of more than three decade of our promoter Mr. Chetan Sanghvi in the batteries segment, our company has created a sustainable customer base which includes distributors, intermediaries and direct customers. We also have regional offices and branch offices at various parts across the country, assisting our company to improve our after-sales services which became one of the important factor for getting repetitive business from our customers.

### **Locational Advantage:**

Our manufacturing unit at Vapi has been selected strategically, which gives us locational advantage in terms of availability of logistic services and proximity to our product market. Because of the location of our manufacturing unit and other logistic related infrastructure, we have been able to deliver our products to Northern and Southern region of our country with ease.

### **Focus on Quality:**

Our focus has been majorly on maintaining the quality of products as well as after sales service to our customers. We have placed stringent operational practices which helps us meet the customers' requirements both in terms of products and after sales services. Our Company is an 9001:2015 and ISO

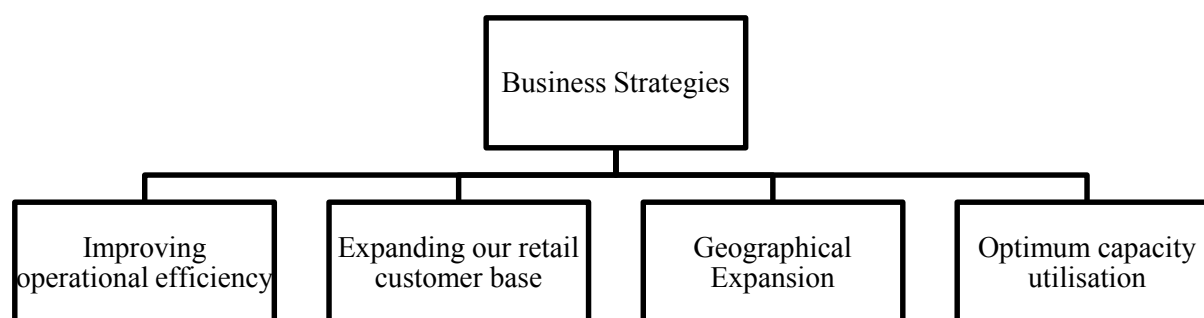


14001:2015 certified. Our business model, together with our quality control measures, and efficient management systems helps us to optimize our cost structure and ensure quality products.

Procurement: We have always followed a stringent process for procuring standard approved Raw Materials from selected Vendors. Owing to our relationship with our suppliers over a period of years, we have always been able to timely procure the right quality of Raw materials which acts as a support system for our QC department. Exhaustive and regular testing at plant level have helped in standardizing the quality of all products manufactured by ourselves.

Quality Control Measures: We are committed to maintain quality and at all steps from procurement till dispatch. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices.

## **BUSINESS STRATEGY**



### **Improving operational efficiency**

We will continue to focus on improving our operational efficiency at our production facilities which will lead to cost minimization. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We will also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

### **Expanding our retail customer base**

We intend to expand our retail consumer base by developing and engaging more dealers and distributors in India for our products. For this very purpose, we are in process of establishing two parallel brands in the market, namely Electra and GEOPOWER. Both the brands are established with different objectives and have a different sales team at middle-level management targeting required billing points in the same state. While Electra, is our premium brand it caters majorly to Metro and A-Class cities while GEOPOWER being a cost-effective product primarily caters to B-Class, C-class and rural areas of that state. We aim to grow direct sales to retail consumer products by setting up branches and service station for after sale service. We intend to achieve this through marketing of our brands and expansion of our distribution network to promote our brand visibility. We also continue to evaluate



potential sales growth for specific products and cost of distribution from time to time. We also intend to engage stockists in revenue generating area as well as other existing and new markets in various states.

### **Geographical expansion**

We intend to gradually expand our operation to almost throughout the country with branch offices across different states. With a current distribution network at various location in the country we intend to double our distributors' points in couple of years. We aspire to have operations across the country over next three years by starting operations in Eastern and Southern India alongside strengthening our presence in existing territories. We are looking forward to start our first branch in South India, in the state of Karnataka with an intention to expand our business in rest of the region. By having existing presence in Eastern zone, we intend to start our Branch offices across four states of Eastern India to cover the region geographically.

We intend to leverage our domestic knowledge, experience and brand image to expand our operations in foreign markets. Further, we intend to mainly focus on the institutional and retail customers in the future in these geographies to scale up our revenues. Historically our revenue has been dependent on domestic market. We intend to develop new distribution channels in international geographies. We intend to upscale our export operations to sell higher volumes of our products and aim to expand our retail presence.

### **Optimum capacity utilization**

We aim to focus on further integrating our operations and improving capacity utilization at our production facilities. Higher capacity utilization results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. For further information, please see the section entitled “*Our Business – Capacity Utilization*” in this section.

## **SWOT ANALYSIS**

<b>Strengths:</b> <ul style="list-style-type: none"> <li>• Locational advantage</li> <li>• Revenue from Institutional and channel market</li> <li>• Experienced team and known brand</li> </ul>	<b>Opportunities:</b> <ul style="list-style-type: none"> <li>• Growing focus on E-vehicle &amp; Solar panels leading to incremental demand of batteries</li> <li>• Launched brand “GEOPOWER” for wider range of customers</li> </ul>
<b>Weakness:</b> <ul style="list-style-type: none"> <li>• Fully dependent on third party logistic services for battery supply</li> <li>• Limited geophysical presence in Southern and Eastern part of India.</li> </ul>	<b>Threats:</b> <ul style="list-style-type: none"> <li>• High competition from established players</li> <li>• Innovation in alternatives of batteries</li> </ul>

## **OUR RAW MATERIALS**

For manufacturing of the batteries, we require lead oxide, lead selenium, red lead, sulphuric acid, etc. We procure the required raw materials from local market and process the same at our facilities. Following are the brief description of the raw materials been used in the manufacturing process:

**Lead Oxide:** This is the powder of pure lead (99.97 to 99.99%), also called grey oxide. This is the inorganic compound with chemical formula PbO. It is in powder form having grey to light green colour. Lead oxide is used in both positive and negative plate active material in lead-acid batteries.

**Red Lead:** This is commonly called red oxide. This is the inorganic compound with chemical formula Pb<sub>3</sub>O<sub>4</sub>. This is a fine powder having bright red to orange colour. Red lead is used in tubular positive plates of lead acid batteries.

**Lead selenium alloy:** It is an alloy of lead metal with small percentages of Antimony, Tin, Arsenic, Selenium and other traces of impurities within specified limit. Alloying element Selenium generally improves grain structure and thus reduces pit corrosion of grid. This alloy is used for casting grids.

**Diluted Sulphuric acid (H<sub>2</sub>SO<sub>4</sub>):** Dilute Sulphuric acid has a lower concentration of H<sup>+</sup> ions per unit volume. Concentrated Sulphuric acid is diluted by De mineralized/de ionized water. This is used for preparation of paste that gets converted into active material after drying and charging. Dilute Sulphuric acid in the battery also takes part in reversible action during charge/discharge; hence, it is also active component in lead acid battery.

## **END USERS**

Our products commonly find its applications in all kinds of Vehicles, Inverters, Solar power projects, railways and general industrial applications. End Users of our products are customers who use or are engaged in the above mentioned businesses. We have sold 1,50,101 units of batteries in FY 2017-18 as compared to 1,02,952 units in FY 2015-16.

## SUMMARY OF FINANCIAL STATEMENTS

Particulars	Page No.
Summary of Restated Standalone Financial Statements	F1 to F4

**ELECTRA ACCUMULATORS LIMITED**  
**ANNEXURE I**  
**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**  
**(Amount Rs. In lakhs)**

Particulars	Annexure	As At March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>EQUITY AND LIABILITIES</b>						
<b>I. Shareholder's Funds</b>						
a. Share Capital	V	764.50	347.50	347.50	347.50	145.75
b. Reserves & Surplus	VI	627.32	544.25	480.74	438.16	191.59
<b>II. Non-Current Liabilities</b>						
a. Long Term Borrowings	VII	557.91	410.85	204.26	187.79	576.33
b. Deferred Tax Liabilities	VIII	23.47	14.92	12.30	6.97	4.06
d. Long Term Provisions	IX	18.54	12.57	8.95	8.99	6.77
e. Other Long Term Liabilities	X	108.76	76.83	106.29	76.34	-
<b>III. Current Liabilities</b>						
a. Short Term Borrowings	XI	2195.07	1707.52	1655.89	1488.37	576.33
b. Trade Payables	XII	1998.02	1381.95	1567.32	743.48	812.58
c. Other Current Liabilities	XIII	828.31	369.62	330.67	331.06	413.33
d. Short Term Provisions	XIV	242.41	60.61	35.44	104.57	47.98
<b>TOTAL (I+II+III)</b>		<b>7364.30</b>	<b>4926.62</b>	<b>4749.37</b>	<b>3733.23</b>	<b>2774.72</b>
<b>ASSETS</b>						
<b>IV. Non -Current Assets</b>						
a. Fixed Assets	XV					
i. Tangible Assets		568.62	410.10	401.94	377.42	330.58
Less: Accumulated Depreciation		(192.20)	(164.09)	(136.04)	(113.89)	(70.61)
ii. Intangible Assets (Net)		0.17	-	-	-	-
iii Capital Work in Progress						
<b>Net Block</b>		<b>376.60</b>	<b>246.01</b>	<b>265.89</b>	<b>263.53</b>	<b>259.97</b>
b. Non-Current Investments	XVI	0.05	0.05	5.05	5.05	5.06
c. Long Term Loans & Advances	XVII	57.43	21.79	35.70	51.86	49.98
<b>V. Current Assets</b>						
a. Current Investment	XVIII	1.00	11.00	11.00	10.00	-
b. Inventories	XIX	5481.77	3919.39	3152.56	2325.11	1650.47
c. Trade Receivables	XX	902.97	335.56	854.04	313.39	521.84
d. Cash and Cash Equivalents	XXI	150.88	90.96	130.66	49.13	126.67
e. Short Term Loans & Advances	XXII	391.06	299.49	284.41	711.19	160.68
f. Other Current Assets	XXIII	2.54	2.37	10.06	3.97	0.06
<b>TOTAL (IV+V)</b>		<b>7364.30</b>	<b>4926.62</b>	<b>4749.37</b>	<b>3733.23</b>	<b>2774.72</b>

The accompanying summary of significant accounting policies restated notes to accounts and notes to adjustments for restated summary financial information are an integral part of this statement.

As per our report of even date  
For Anil Bansal & Associates  
Chartered Accountants  
FRN: - 100421W

Anil Bansal  
Proprietor  
Membership No.: - 043198  
Date: - 19<sup>th</sup> July, 2018  
Place: - MUMBAI



For and on behalf of Board of Directors

Chetan Sanghvi  
Chairman & MD  
DIN: - 00957763

Bhramik Sanghvi  
CFO & WTD  
DIN: - 06604461

Rashmi Chauhan  
Company Secretary  
M. No. 43297

**ELECTRA ACCUMULATORS LIMITED**  
**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	Annexure	For the Year Ended March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>I. INCOME</b>						
Revenue from Operations	XXV	7378.69	5188.96	5167.76	7305.12	4091.07
Other Income	XXVI	6.17	12.22	19.35	21.43	18.68
<b>TOTAL REVENUE (I)</b>		<b>7384.86</b>	<b>5201.18</b>	<b>5187.11</b>	<b>7326.55</b>	<b>4109.75</b>
<b>II. EXPENSES</b>						
Cost of Raw Materials Consumed	XXVII	3205.93	2040.16	2265.10	3798.31	3712.92
Purchase of Stock in trade	XXVIII	2617.97	2100.82	2046.17	2012.97	-
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	XXIX	(963.16)	(827.91)	(1001.14)	(540.50)	(964.84)
Employee Benefit Expenses	XXX	445.34	346.41	338.72	386.92	392.63
Finance Costs	XXXI	339.36	300.27	297.73	283.94	180.49
Depreciation and Amortisation Expense	XXXII	28.11	28.05	27.85	43.28	31.90
Other Expenses	XXXIII	960.77	1116.83	1148.43	1273.84	685.10
<b>TOTAL EXPENSES (II)</b>		<b>6634.32</b>	<b>5104.64</b>	<b>5122.87</b>	<b>7258.75</b>	<b>4038.19</b>
<b>III. RESTATED PROFIT/(LOSS) BEFORE TAX (I-II)</b>		<b>750.54</b>	<b>96.54</b>	<b>64.24</b>	<b>67.79</b>	<b>71.56</b>
<b>IV. Tax Expenses</b>						
Current Tax		(241.92)	(30.41)	(14.33)	(20.07)	(25.93)
Deferred Tax		(8.55)	(2.62)	(5.95)	(2.91)	(1.15)
<b>TOTAL TAX EXPENSES (IV)</b>		<b>(250.47)</b>	<b>(33.03)</b>	<b>(20.28)</b>	<b>(22.98)</b>	<b>(27.07)</b>
<b>V. RESTATED PROFIT FOR THE YEAR (III-IV)</b>		<b>500.07</b>	<b>63.52</b>	<b>43.96</b>	<b>44.81</b>	<b>44.49</b>

The accompanying summary of significant accounting policies restated notes to accounts and notes to adjustments for restated summary financial information are an integral part of this statement.

As per our report of even date

For Anil Bansal & Associates

Chartered Accountants

FRN: -100421W

Anil Bansal

Proprietor

Membership No.: - 043198

Date: - 19<sup>th</sup> July, 2018

Place: - MUMBAI



For and on behalf of Board of Directors

C. S. Sanghvi

Chetan Sanghvi

Chairman & MD

DIN: -00957763

Bhaumik Sanghvi

CFO & WTD

DIN: - 06604461

Rashmi Chauhan

Company Secretary

M. No. 43297



**ELECTRA ACCUMULATORS LIMITED**  
**ANNEXURE III**  
**STATEMENT OF CASH FLOWS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b><u>I. Cash Flows From Operating Activities:</u></b>					
Net Profit Before Tax as per Restated Statement of Profit And Loss	750.54	96.54	64.24	67.79	71.56
Adjusted for:					
Depreciation & Amortisation	28.11	28.05	27.85	43.28	31.90
Interest Income	(3.29)	(6.55)	(7.73)	(14.47)	(18.68)
Foreign Exchange Loss (Net)	(0.23)	(1.43)	(0.07)	(6.86)	-
Finance Cost	339.36	300.27	297.73	283.94	180.49
Provision for Gratuity	6.07	3.70	(0.09)	2.29	7.05
Capital Gain on Mutual Fund	(2.66)	-	-	-	-
<b>Operating Profit Before Working Capital Changes (As Restated)</b>	<b>1117.91</b>	<b>420.59</b>	<b>381.93</b>	<b>375.98</b>	<b>272.33</b>
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(567.41)	518.48	(540.65)	208.45	22.12
Inventories	(1562.37)	(766.83)	(827.45)	(686.40)	(1029.91)
Short Term Loans and Advances	(91.57)	(15.08)	426.78	(550.51)	16.67
Other Curren & Non Assets	(0.17)	7.69	(6.08)	(3.91)	-
Long Term Loans & Advances	(35.64)	13.91	16.16	(1.88)	(25.19)
Trade Payable	616.29	(183.95)	823.92	(62.25)	476.99
Other Current Liability	391.49	81.09	20.37	(62.31)	524.76
Change in Provisions	206.25	27.68	(71.56)	66.19	-
Share Application Money Refund	-	-	-	-	104.00
<b>Cash Flows From/(Used) in Operations</b>	<b>74.79</b>	<b>103.57</b>	<b>223.41</b>	<b>(716.65)</b>	<b>(162.99)</b>
Direct Tax Paid	(260.51)	(29.39)	(11.88)	(15.76)	(16.86)
<b>Net Cash Flows From/(Used in) Operating Activities: (I)</b>	<b>(185.73)</b>	<b>74.19</b>	<b>211.53</b>	<b>(732.41)</b>	<b>(179.85)</b>
<b><u>II. Cash Flow From Investing Activities:</u></b>					
Purchase of Fixed Assets	(158.71)	(8.16)	(32.22)	(46.84)	(119.26)
Interest Income	3.29	6.55	7.73	14.47	18.68
Purchase of Investments	-	-	(1.00)	(10.00)	-
Sale of Investments	12.66	5.00	-	0.01	-
<b>Net Cash Flow From/(Used in) Investing Activities: (II)</b>	<b>(142.76)</b>	<b>3.39</b>	<b>(25.49)</b>	<b>(42.37)</b>	<b>(100.58)</b>
<b><u>III. Cash Flows from Financing Activities:</u></b>					
Proceeds From Issue of shares capital	-	-	-	201.75	113.25
Share Premium	-	-	-	201.75	113.25
Interest & Financial Charges	(339.36)	(300.27)	(297.73)	(283.94)	(180.49)
Increase/(Decrease) Short Term Borrowing	487.55	51.62	167.52	912.04	(12.56)



Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Increase/(Decrease) Long Term Borrowing	214.25	164.65	(4.29)	(408.49)	305.54
Increase/(Decrease) Other Long Term Liabilities	25.96	(33.08)	29.99	74.11	-
<b>Net Cash Flow From/(Used in) Financing Activities (III)</b>	<b>388.41</b>	<b>(117.27)</b>	<b>(104.51)</b>	<b>697.24</b>	<b>338.98</b>
<b>IV. Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>59.92</b>	<b>(39.70)</b>	<b>81.53</b>	<b>(77.54)</b>	<b>58.56</b>
<b>V. Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>90.96</b>	<b>130.66</b>	<b>49.13</b>	<b>126.67</b>	<b>68.11</b>
<b>VI. Cash &amp; Cash Equivalents As At End of the Year (IV+V)</b>	<b>150.88</b>	<b>90.96</b>	<b>130.66</b>	<b>49.13</b>	<b>126.67</b>

The accompanying summary of significant accounting policies restated notes to accounts and notes to adjustments for restated summary financial information are an integral part of this statement.

As per our report of even date

For Anil Bansal & Associates  
Chartered Accountants  
FRN: - 100421W

Anil Bansal  
Proprietor  
Membership No.: 043198  
Date:- 19<sup>th</sup> July, 2018  
Place:- MUMBAI



For and on behalf of Board of Directors

Chetan Sanghvi  
Chairman & MD  
DIN:-00957763

Bhaumik Sanghvi  
CFO & WTD  
DIN:- 06604461

Rashmi Chauhan  
Company Secretary  
M. No. 43297

## THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company <sup>(1)</sup>	Upto 41,18,000 Equity Shares* of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs <sup>(2)</sup>
<b>Consisting of:</b>	
Market Maker Reservation Portion	[●] Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●] /- per Equity share aggregating to Rs. [●] Lakhs
Net Issue to the Public	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●] /- per share aggregating Rs. [●] Lakhs
<i>Of Which</i>	
<b>A. QIB Portion<sup>(3)(4)</sup></b>	Upto [●] Equity shares shall be available for allocation of face value of Rs. 10 each fully paid of the Company at a cash price of Rs. [●]/- per Equity Share Aggregating Rs. [●] Lakhs for cash.
<i>Of Which</i>	
Available for allocation to Mutual Funds only ([●] % of the QIB portion)	[●] Equity Shares of face value of Rs.10 each
Balance of all QIBs including Mutual Funds	[●] Equity Shares of face value of Rs.10 each
<b>B. Retail Portion<sup>(3)(4)</sup></b>	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors up to Rs. 2.00 Lakhs
<b>C. Non-Institutional Portion<sup>(3)(4)</sup></b>	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	76,45,000 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of Rs.10 each
Use of proceeds of this Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 118 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

*\*Number of shares may need to be adjusted for lot size upon determination of Issue Price*

**Notes:-**



- 1) *The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on July 11, 2018 and by the shareholders of our company vide a Special Resolution passed pursuant to Section 62 (1)(c) of Companies Act, 2013 at the Extra-Ordinary General Meeting held on July 12, 2018*
- 2) *The Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.*
- 3) *Such number of Equity Shares representing [●] % of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.*
- 4) *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*
- 5) *Our Company is considering a Pre-IPO placement of upto 5,88,000 Equity Shares and/or aggregating upto Rs. 450.00 lakhs with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of equity shares issued pursuant to the Pre –IPO Placement would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.*

For further details please refer to section titled 'Issue Information' beginning on page 303 of this Draft Red Herring Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as “Electra Accumulators Private Limited” at Vapi, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by members in Extraordinary General Meeting held on February 24, 2018 consequent to which the name of our Company was changed to “Electra Accumulators Limited” vide a Fresh Certification of Incorporation dated March 20, 2018, issued by Assistant Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification number of our company is U29100GJ2009PLC057053.

For details of Incorporation and Change of Registered Office of our Company, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 207 of this Draft Red Herring Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

**Electra Accumulators Limited**

19, Mahavir Nagar,

N.H. No: 8,

Vapi-396195, Gujarat, India

**Tel:** 0260-2410050

**Fax:** N.A.

**Email:** [ho@electrabatteries.in](mailto:ho@electrabatteries.in)

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

**Corporate Identification Number:** U29100GJ2009PLC057053

### CORPORATE OFFICE OF OUR COMPANY

**Electra Accumulators Limited**

Office No. 33-A, Vidhya Villa Compound,

Old Nagardas Road, Andheri (East),

Mumbai 400069 Maharashtra, India.

**Tel:** 022-42247700

**Fax:** NA

**Email:** [ho@electrabatteries.in](mailto:ho@electrabatteries.in)

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

### REGISTRAR OF COMPANIES

**Registrar of Companies, Ahmedabad**

ROC Bhavan, Opp. Rupal Park Society,

Behind Ankur Bus Stop,

Naranpura, Ahmedabad-380013.

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

### DESIGNATED STOCK EXCHANGE

**BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,  
Mumbai – 400 001

#### BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1.	Chetan Sanghvi	56	00957763	501, Hemu Castle, Dadabhai Road, Ville Parle West, B33, Mumbai Maharashtra 400056, India	Chairman & Managing Director
2.	Bhaumik Sanghvi	25	06604461	501, Hemu Castle, Dadabhai Road, Ville Parle West, B33, Mumbai Maharashtra 400056, India	Whole -Time Director
3.	Kruti Shah	31	06789987	102,Raj Margaret Villa, Near Silver Coin Hotel, I.C. Colony, Borivali West, Mumbai – 400102, Maharashtra, India	Independent Director
4.	Milan Chitalia	39	02019612	B-305, Highland Harmony, Mahavir Nagar, Opp Panchshil Joggers Park, Kandivali (W), Mumbai – 400 067, Maharashtra, India	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 211 of this Draft Red Herring Prospectus.

#### COMPANY SECRETARY& COMPLIANCE OFFICER

**Rashmi Chauhan**

**Electra Accumulators Limited**

Office No. 33-A, Vidhya Villa Compound,  
Old Nagardas Road,  
Andheri (East), Mumbai-400069, Maharashtra, India,

**Tel:** 022-42247700

**Fax:** NA

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

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

#### CHIEF FINANCIAL OFFICER

**Bhaumik Sanghvi**

**Electra Accumulators Limited**

Office No. 33-A, Vidhya Villa Compound,  
Old Nagardas Road,  
Andheri (East), Mumbai-400069, Maharashtra, India

**Tel:** 022-42247700

**Fax:** N.A.

**Email id:** [bhaumik.sanghvi@electrabatteries.in](mailto:bhaumik.sanghvi@electrabatteries.in)

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

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

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

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

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

#### **STATUTORY AUDITOR& PEER REVIEWED AUDITOR**

**Anil Bansal & Associates, Chartered Accountants**

1001, IJMIMA Complex,

Raheja Metroplex, Near Infinity Mall-II Link Road,

Malad (West), Mumbai-400064

**Tel No.:** 022-67098000/67098001

**Fax No.:** N.A.

**Email:** [anilbansal1001@gmail.com](mailto:anilbansal1001@gmail.com)

**Contact Person:** Anil Bansal

**Firm Registration No.:** 100421W

**Membership No.:** 043918

Anil Bansal & Associates, Chartered Accountants holds a peer reviewed certificate dated August 11, 2017 issued by the Institute of Chartered Accountants of India.

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

**Pantomath Capital Advisors Private Limited**

406-408, Keshava Premises, Behind Family Court,

Bandra Kurla Complex, Bandra (East)

Mumbai- 400051, Maharashtra, India

**Tel:** +91 22 6194 6700

**Fax:** + 91 22 2659 8690

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

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

**Contact Person:** Hardik Bhuta

**SEBI Registration No:** INM000012110

## REGISTRAR TO THE ISSUE

### **Link Intime India Private Limited**

C-101, 1<sup>st</sup> floor, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400083, Maharashtra, India.

**Tel:** 022-49186200

**Fax:** 022-49186195

**Email:** [electra.ipo@linkintime.co.in](mailto:electra.ipo@linkintime.co.in)

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

**Contact Person:** Shanti Gopalkrishnan

**SEBI Registration Number:** INR000004058

## LEGAL ADVISOR TO THE ISSUE

### **M V Kini, Law Firm**

Kini House, Near Citi Bank,  
D. N. Road, Fort, Mumbai - 400 001, Maharashtra, India

**Tel:** +91 22 22612527/28/29

**Fax:** +91 22 22612530

**E-mail:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)

**Contact Person:** Vidisha Krishan

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

## BANKER TO THE COMPANY

### **Union Bank of India**

11, Vithal Nagar Co-op Soc.,  
10<sup>th</sup> Road, J.V.P.D. Scheme, Vile Parle (West),  
Mumbai – 400 049, Maharashtra, India.

**Tel No.:** 022-26207491

**Fax:** NA

**Email:** [cbsvileparlew@unionbankofindia.com](mailto:cbsvileparlew@unionbankofindia.com)

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

**Contact Person:** Santosh Kumar

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

[•]

[•]

**Tel:**[•]

**Fax:**[•]

**Email:**[•]

**Contact Person:**[•]

**Website:**[•]

**SEBI Registration Number:**[•]

*\*The Banker to the Issue will be appointed prior to registering of the Red Herring Prospectus with the ROC*

## SYNDICATE MEMBER\*

[•]

[•]

**Tel: - [•]**

**Fax: - [•]**

**E-mail: [•]**

**Contact Person: [•]**

**Website: [•]**

**SEBI Registration Number: [•]**

*\*The Syndicate Member(s) will be appointed prior to registering of the Red Herring Prospectus with the ROC.*

## **DESIGNATED INTERMEDIARIES**

### **Self Certified Syndicate Banks**

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

### **Registered Brokers**

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

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

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **TRUSTEE**

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

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

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

## **APPRAISAL AND MONITORING AGENCY**

As per Regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [•] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **EXPERT OPINION**

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

## **BOOK BUILDING PROCESS**

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

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

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB

Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

All Bidders can participate in the Issue only through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investors Bidding Date.

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

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 315 of this Draft Red Herring Prospectus.

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

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

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

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

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



1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 315 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

## **BID / ISSUE PROGRAMME**

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

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

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

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

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

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

## **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the Pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Offer after the Issue Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## **UNDERWRITER**

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

<b>Name and Address of the Underwriters</b>	<b>Indicative Number of Equity shares to be Underwritten</b>	<b>Amount Underwritten (Rupees In Lakhs)</b>	<b>% of the Total Issue Size Underwritten</b>
[●] [●] <b>Tel:</b> [●] <b>Fax:</b> [●] <b>Email:</b> [●] <b>Contact Person:</b> [●] <b>SEBI Registration Number:</b> [●]	Upto [●]	[●]	100%
<b>Total</b>	<b>Upto [●]</b>	<b>[●]</b>	<b>100%</b>

*\*Includes [●] Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended*

## DETAILS OF THE MARKET MAKING ARRANGEMENT

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

[●]

[●]

**Tel:** [●]

**Fax:** [●]

**Email:** [●]

**Contact Person:** [●]

**SEBI Registration Number:** [●]

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The Price Band shall be 20% and the spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by BSE Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the

investors. At this stage, [●] is acting as the sole Market Maker. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  - I. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - II. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - III. Additionally, the trading shall take place in TTF segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform:

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

9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

11. SME Platform of BSE Limited will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to-time.

12. SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

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

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

## CAPITAL STRUCTURE

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

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

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,50,00,000 Equity Shares of face value of Rs. 10/- each	1500.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	76,45,000 Equity Shares of face value of Rs. 10/- each	764.50	
<b>C.</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus</b>		
	Issue of Upto 41,18,000 Equity Shares of face value of Rs.10 each at a price of Rs. [●]/- per Equity Share	Up to 411.80	[●]
	<b>Consisting:</b>		
	<b>Reservation for Market Maker</b> – [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Net issue to the public</b> – [●] Equity shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Of the Net Issue to the Public</b>		
	QIB Portion being [●]% of the Net Issue aggregating Upto [●] Equity Shares	[●]	[●]
	Non – Institutional Portion of not less than [●]% of the Net Issue aggregating upto not less than [●] Equity Shares	[●]	[●]
	Retail Portion of not less than [●]% of the Net Issue aggregating upto not less than [●] Equity Shares	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	[●] Equity Shares of face value of Rs. 10/- each	[●]	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	Nil	
	After the Issue	[●]	

The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on July 11, 2018 and by the shareholders of our company vide a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Extra-Ordinary General Meeting held on July 12, 2018

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

Our Company is considering a Pre-IPO placement of upto 5,88,000 Equity Shares for cash consideration aggregating upto Rs.450 lakhs with certain investors (“Pre-IPO Placement”). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to the minimum Issue size of 25 percent of the post issue paid up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR, 1957. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.

## NOTES TO THE CAPITAL STRUCTURE

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

The authorised share capital of our Company at the time of incorporation was Rs. 10,00,000 divided into 1,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each. The following table gives the increase in the authorised share capital post incorporation of our Company:

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
Increased From	Increased To		
Rs. 10,00,000 consisting of 1,00,000 Equity shares of Rs. 10 each	Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each	March 25, 2013	EGM
Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each	Rs. 3,00,00,000 consisting of 30,00,000 Equity shares of Rs. 10 each	June 14, 2014	EGM
Rs. 3,00,00,000 consisting of 30,00,000 Equity shares of Rs. 10 each	Rs. 4,00,00,000 consisting of 40,00,000 Equity shares of Rs. 10 each	March 02, 2015	EGM
Rs. 4,00,00,000 consisting of 40,00,000 Equity shares of Rs. 10 each	Rs. 15,00,00,000 consisting of 1,50,00,000 Equity shares of Rs. 10 each	February 24, 2018	EGM

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

Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
On Incorporation	10,000	10	10	Cash	Subscription to MOA <sup>(1)</sup>	10,000	1,00,000
March 26, 2013	15,000	10	140	Cash	Right Issue <sup>(2)</sup>	25,000	2,50,000
March 30,	3,00,000	10	NA	Other than	Bonus	3,25,000	32,50,000

Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
2013				cash	Issue <sup>(3)</sup>		
March 29, 2014	11,32,500	10	20	Cash	Right Issue <sup>(4)</sup>	14,57,500	1,45,75,000
July 09, 2014	11,80,000	10	20	Cash	Right Issue <sup>(5)</sup>	26,37,500	2,63,75,000
March 30, 2015	8,37,500	10	20	Cash	Right Issue <sup>(6)</sup>	34,75,000	3,47,50,000
March 31, 2018	41,70,000	10	NA	Other than Cash	Bonus Issue <sup>(7)</sup>	76,45,000	7,64,50,000
<b>Total</b>	<b>76,45,000</b>						<b>7,64,50,000</b>

(1) Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs. 10/-each fully paid at par as per the details given below:

Sr. No.	Name of Subscribers	No. of shares subscribed
1.	Chetan Sanghvi	5,000
2.	Archana Sanghvi	5,000
	<b>Total</b>	<b>10,000</b>

(2) Right Issue of 15,000 Equity Shares of face value of Rs. 10 each fully paid at premium of Rs.130 per equity shares as on March 26, 2013 in the ratio of 1.5 Equity shares for every 1 equity share held as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Chetan Sanghvi	4,000
2	Archana Sanghvi	11,000
	<b>Total</b>	<b>15,000</b>

(3) Bonus Issue of 3,00,000 Equity Shares of Face Value of Rs. 10 each issued at par on March 30, 2013 in the ratio of Twelve (12) Equity shares for every One (1) Equity share held as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Chetan Sanghvi	1,08,000
2	Archana Sanghvi	1,41,600
3	Bhaumik Sanghvi	50,400
	<b>Total</b>	<b>3,00,000</b>

(4) Right Issue of 11,32,500 Equity Shares of face value of Rs. 10 each fully paid at premium of Rs.10 per equity shares as on March 29, 2014 in the ratio of 3.4846 for every one (1) Equity Share held as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Chetan Sanghvi	84,500



Sr. No.	Name of Allottees	No. of shares Allotted
2	Archana Sanghvi	5,23,000
3	Bhaumik Sanghvi	5,25,000
	<b>Total</b>	<b>11,32,500</b>

(5) Right Issue of 11,80,000 Equity Shares of face value of Rs. 10 each fully paid at premium of Rs. 10 per equity shares as on July 09, 2014 in the ratio of Twenty One (21) Equity Shares For Every Twenty Five (25) Equity Share held as per the details given below :

Sr. No.	Name of Allottees	No. of shares Allotted
1	Chetan Sanghvi	4,25,000
2	Bhaumik Sanghvi	7,55,000
	<b>Total</b>	<b>11,80,000</b>

(6) Right Issue of 8,37,500 Equity Shares of face value of Rs.10 each fully paid at premium of Rs.10 per equity shares held as on March 30, 2015 in the ratio of Sixty Seven (67) Equity Share for Every Two Hundred Eleven (211) Equity Share held as per the details given below :

Sr. No.	Name of Allottees	No. of shares Allotted
1	Chetan Sanghvi	8,37,500
	<b>Total</b>	<b>8,37,500</b>

(7) Bonus Issue of 41,70,000 Equity Shares of Face Value of Rs.10 each issued at par on March 31, 2018 in the ratio of 1.2 equity shares for every One (1) equity shares held as per the details given below :

Sr. No.	Name of Allottees	No. of shares Allotted
1	Chetan Sanghvi	23,75,400
2	Archana Sanghvi	14,160
3	Bhaumik Sanghvi	17,71,440
4	Avni Sanghvi	6,000
5	Chetan Sanghvi HUF	2,760
6	Pradeep Garodia	120
7	Bhavesh Kothari	120
	<b>Total</b>	<b>41,70,000</b>

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

Date of Allotment	Number of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits accrued to our Company	Allottees	No. of Shares Allotted
March 30, 2013	3,00,000	10	NA	Bonus Issue in ratio of Twelve (12) Equity shares for every one (1) Equity share held	Capitalisation of reserves	Chetan Sanghvi	1,08,000
						Archana Sanghvi	1,41,600
						Bhaumik Sanghvi	50,400

Date of Allotment	Number of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits accrued to our Company	Allottees	No. of Shares Allotted
March 31, 2018	41,70,000	10	NA	Bonus Issue in ratio of One Decimal Two (1.2) Equity shares for every One (1) Equity share held	Capitalisation of reserves	Chetan Sanghvi	23,75,400
						Archana Sanghvi	14,160
						Bhaumik Sanghvi	17,71,440
						Avni Sanghvi	6,000
						Chetan Sanghvi HUF	2,760
						Pradeep Garodia	120
						Bhaves Kothari	120
Total							44,70,000

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

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Allottees	No. of Shares Allotted
March 31, 2018	41,70,000	10	Nil	Bonus Issue in ratio of 1.2 equity shares for every one Equity share held	Chetan Sanghvi	23,75,400
					Archana Sanghvi	14,160
					Bhaumik Sanghvi	17,71,440
					Avni Sanghvi	6,000
					Chetan Sanghvi HUF	2,760
					Pradeep Garodia	120
					Bhavesht Kothari	120
Total						41,70,000

7. As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

**8. Build-up of Promoters' shareholding, Promoters' contribution and lock-in**

**i. Built up of Promoter's shareholdings:**

As on the date of this Draft Red Herring Prospectus, our Promoters, Chetan Sanghvi and Bhaumik Sanghvi collectively holds 76,02,540 Equity Shares of our Company. None of the Equity shares held by our promoters are subject to any pledge.

**1) Chetan Sanghvi**

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %
May 26, 2009	5,000	10	10	Subscription to MOA	0.07%	[●]%
March 26, 2013	4,000	10	140	Right Issue	0.05%	[●]%
March 30, 2013	1,08,000	10	N.A.	Bonus Issue	1.41%	[●]%
March 29, 2014	84,500	10	20	Right Issue	1.11%	[●]%
July 09, 2014	4,25,000	10	20	Right Issue	5.56%	[●]%
March 30, 2015	8,37,500	10	20	Right Issue	10.95%	[●]%
March 21, 2016	5,23,000	10	Nil	Transferred from Archana Sanghvi by way of Gift	6.84%	[●]%
February 23, 2018	(5,000)	10	Nil	Transferred to Avni Sanghvi by way of Gift	(0.07%)	[●]%
February 23, 2018	(2,300)	10	Nil	Transferred to Chetan Sanghvi HUF by way of Gift	(0.03%)	[●]%
February 23, 2018	(100)	10	28	Transferred to Pradeep Garodia	Negligible	[●]%
February 23, 2018	(100)	10	28	Transferred to Bhavesh Kothari	Negligible	[●]%
March 31, 2018	23,75,400	10	N.A.	Bonus Issue	31.07%	[●]%
<b>Total</b>	<b>43,54,900</b>				<b>56.96%</b>	

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

## 2) Bhaumik Sanghvi

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %
October 16, 2012	4,200	10	10	Transferred from Archana Sanghvi	0.05%	[●]%
March 30, 2013	50,400	10	N.A.	Bonus Issue	0.66%	[●]%
March 29, 2014	5,25,000	10	20	Right Issue	6.87%	[●]%
July 09, 2014	7,55,000	10	20	Right Issue	9.88%	[●]%
March 21, 2016	1,41,600	10	Nil	Transferred from Archana Sanghvi by way of gift	1.85%	[●]%
March 31, 2018	17,71,440	10	NA	Bonus Issue	23.17%	[●]%
<b>Total</b>	<b>32,47,640</b>				<b>42.48%</b>	<b>[●]%</b>

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

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

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

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

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
Chetan Sanghvi						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Bhaumik Sanghvi						
[●]	[●]	[●]	[●]	[●]	[●]	[●]

The Minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

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

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

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

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

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as

collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

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

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

We further confirm that our Promoters' Contribution of [●] % of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

9. Except as set out below, none of the members of the Promoter Group, the Promoters, our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the Stock Exchange.

Date of Transfer	Name of the Transferor	Name of Transferee/ Allottee	Party Category	No. of Shares Allotted/ Transferred	Face Value	Transfer / Issue Price	Nature of Allotment
February 23, 2018	Chetan Sanghvi	Avni Sanghvi	Promoter & Promoter Group	5,000	10	NIL	Transfer
February 23, 2018	Chetan Sanghvi	Chetan Sanghvi HUF	Promoter & Promoter Group	2,300	10	NIL	Transfer
February 23, 2018	Chetan Sanghvi	Pradeep Garodia	Promoter & Public Shareholder	100	10	28	Transfer
February 23, 2018	Chetan Sanghvi	Bhaves Kothari	Promoter & Public Shareholder	100	10	28	Transfer
March 31, 2018	-	Chetan Sanghvi	Promoter	23,75,400	10	NA	Bonus Issue
March 31, 2018	-	Archana Sanghvi	Promoter Group	14,160	10	NA	Bonus Issue
March 31, 2018	-	Bhaumik Sanghvi	Promoter	17,71,440	10	NA	Bonus Issue
March 31, 2018	-	Avni Sanghvi	Promoter Group	6,000	10	NA	Bonus Issue
March 31, 2018	-	Chetan Sanghvi HUF	Promoter Group	2,760	10	NA	Bonus Issue

## 10. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company:-

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

C a t e g o r y	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCR R, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form**
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V + VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	5	76,44,560	-	-	76,44,560	99.99%	76,44,560	99.99%	-	[•]	-	-	-	-	[•]

Category	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form**
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
B	Public	2	440	-	-	-	0.01%	440	0.01%	-	[●]	-	-	-	-	[●]
C	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	76,45,0	-	-	76,45,00	100%	76,45,00	100	-	[●]	-	-	-	-	[●]



C a t e g o r y	Category of Shareholder	No s. of sha re h o l d e r s	No. of fully paid up equity shares held	No . of Partly paid-up equity shares held	No . of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCR R, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percent age of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form**
								No of Voting Rights	Total as a % of (A+B+C )			No . ( a )	As a % of total Shares held (b)	No . ( a )	As a % of total Shares held (b)	
			000			00		0	%							

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

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

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

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of such Equity Shares.

\*\*\* In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialised prior to listing of Equity shares.

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

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoter</b>				
1	Chetan Sanghvi	43,54,900	56.96%	[●]	[●]
2	Bhaumik Sanghvi	32,47,640	42.48%	[●]	[●]
	<b>Subtotal (A)</b>	<b>76,02,540</b>	<b>99.44%</b>	<b>[●]</b>	<b>[●]</b>
	<b>Promoter Group</b>				
1	Archana Sanghvi	25,960	0.34%	[●]	[●]
2	Avni Sanghvi	11,000	0.14%	[●]	[●]
3	Chetan Sanghvi HUF	5,060	0.07%	[●]	[●]
	<b>Subtotal (B)</b>	<b>42,020</b>	<b>0.55%</b>	<b>[●]</b>	<b>[●]</b>
	<b>Total (A+B)</b>	<b>76,44,560</b>	<b>99.99%</b>	<b>[●]</b>	<b>[●]</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Chetan Sanghvi	43,54,900	6.32
Bhaumik Sanghvi	32,47,640	7.90

13. None of the shareholder of the company falls under the category of “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

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

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Chetan Sanghvi	43,54,900	56.96
2.	Bhaumik Sanghvi	32,47,640	42.48
3.	Archana Sanghvi	25,960	0.34
4.	Chetan Sanghvi HUF	11,000	0.14
5.	Avni Sanghvi	5,060	0.07
6.	Pradeep Garodia	220	0.003
7.	Bhavesh Kothari	220	0.003

Note: Our Company has only 7 shareholders as at date of filing this Draft Red Herring Prospectus

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Chetan Sanghvi	43,54,900	56.96
2.	Bhaumik Sanghvi	32,47,640	42.48
3.	Archana Sanghvi	25,960	0.34
4.	Chetan Sanghvi HUF	11,000	0.14
5.	Avni Sanghvi	5,060	0.07
6.	Pradeep Garodia	220	0.003
7.	Bhavesh Kothari	220	0.003

Note: Our Company has only 7 shareholders as at date of filing this Draft Red Herring Prospectus.

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Chetan Sanghvi	19,87,000	57.18
2.	Bhaumik Sanghvi	14,76,200	42.48
3.	Archana Sanghvi	11,800	0.34

Note: Our Company had only 3 shareholders as at two years prior to the date of filing of Draft Red Herring Prospectus.

15. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
16. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.
17. The BRLM, Syndicate Members and any persons related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the Issue. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the Net QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.
18. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the SME Platform of BSE Limited.
19. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
20. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.

21. There are no Equity Shares against which depository receipts have been issued.
22. Other than the Equity Shares, there is no other class of securities issued by our Company.
23. Except for Pre-IPO Placement, there will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue subject to compliance with Rule 19(2)(b) of SCRR, 1957. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
24. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
25. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
26. There are no safety net arrangements for this public issue.
27. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
28. As on date of this Draft Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans against the proceeds of the Issue.

32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. Our Company has 7 shareholders as on the date of filing of this Draft Red Herring Prospectus.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “Financial Statements as restated” on page 239 of this Draft Red Herring Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page 211 of this Draft Red Herring Prospectus.

## OBJECT OF THE ISSUE

### Requirement of Funds:

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

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

1. Funding the Working Capital requirements of our Company;
2. Repayment/ pre-payment of certain unsecured loans availed from banks and financial institutions by our company; and
3. General Corporate Purposes.

(Collectively referred to as “Objects”)

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

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

### ISSUE PROCEEDS

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

(Rs. in lakhs)

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

### UTILIZATION OF NET PROCEEDS

Sr. No.	Particulars	Amount to be financed from Net Proceeds (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Funding the Working Capital Requirements of our Company	1,544.00	[●]	[●]
2.	Repayment/ pre-payment of certain unsecured loans availed from banks and financial institutions by our company	154.12	[●]	[●]
3.	General Corporate Purposes	[●]	[●]	[●]

The net proceeds are proposed to be used in manner as set out below:

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

### SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

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

Draft Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Issue.

(Rs. in lakhs)

Sr. No	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilization of Net Proceeds (Financial Year 2019)
1.	Funding the Working Capital Requirements of our Company	1,544.00	1,544.00
2.	Repayment/ pre-payment of certain unsecured loans availed from banks and financial institutions by our company	154.12	154.12
3.	General Corporate Purposes*	[●]	[●]

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

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

#### MEANS OF FINANCE

We intend to finance repayment/pre-payment of certain unsecured loans availed by Our Company entirely from the Net Proceeds of the issue. The working capital requirements under the object of the issue will be met through the Net Proceeds to the extent of Rs. 1,544.00 lakhs and balance through internal accruals/ net worth, unsecured loans and short term bank finance. Further details of funding of the Objects is given below:

(Rs in lakhs)

Objects of the Issue	Amount Required	IPO Proceeds	Internal Accruals/ Net worth/Unsecured Loans	Short Term Cash Credit Facility
Funding the Working Capital Requirements of our Company	5,363.33	1,544.00	1,819.33	2,000.00
Repayment/ pre-payment of certain unsecured loans availed from banks and financial institutions by our company	154.12	154.12	-	-
General Corporate Purposes*	[●]	[●]	-	-

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



Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

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

### Details of the Objects

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

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, unsecured loans and financing from various banks and financial institutions. As on March 31, 2017 and March 31, 2018, the amount outstanding on our Company's fund based working capital facility was Rs. 1,707.52 lakhs and Rs. 2,195.07 lakhs respectively as per restated financial statements. As on March 31, 2018, our sanctioned working capital facilities for fund based limit was Rs. 2,000.00 lakhs. For further details, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 257 of this Draft Red Herring Prospectus.

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

(Rs. in lakhs)

Particulars	March 31, 2017	March 31, 2018
<b>Current Assets</b>		
Inventories		
-Raw Materials	244.09	906.06
-Work-in-Progress	3,451.98	2,974.06
-Finished Goods	223.32	1,601.65
Trade Receivables	335.56	902.97
Cash and Bank Balances	90.96	150.88
Short Term Loans & Advances and Other Current Assets	312.86	394.60
<b>Total (A)</b>	<b>4,658.77</b>	<b>6,930.22</b>
<b>Current Liabilities</b>		
Trade Payables	1,381.95	1,998.02
Other Current Liabilities & Short Term Provisions	430.24	1,070.72
<b>Total (B)</b>	<b>1812.19</b>	<b>3068.74</b>
<b>Total Working Capital (A)-(B)</b>	<b>2,846.58</b>	<b>3,861.48</b>
<b>Existing Funding Pattern</b>		

Particulars	March 31, 2017	March 31, 2018
Working Capital funding from Banks	1,707.52	2,195.07
Internal accruals/Net Worth/Unsecured Loans	1,139.06	1,666.41

#### Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated July 19, 2018 has approved the business plan for the Fiscals 2019. The projected working capital requirements for Fiscal 2019 is stated below:

(Rs. in lakhs)

Particulars	March 31, 2019 (Estimated)
<b>Current Assets (A)</b>	
Inventories	
-Raw Materials	850.00
-Work-in-Progress	2,450.00
-Finished Goods	2,025.00
Trade Receivables	1,275.00
Cash and Bank Balances	156.33
Short term Loans & Advances and Other Current Assets	245.00
<b>Total (A)</b>	<b>7,001.33</b>
<b>Current Liabilities (B)</b>	
Trade Payables	1,350.00
Other Current Liabilities & Short term Provision	288.00
<b>Total (B)</b>	<b>1,638.00</b>
<b>Total Working Capital (A)-(B)</b>	<b>5,363.33</b>
<b>Funding Pattern</b>	
IPO Proceeds	1,544.00
Working capital loan from bank	2,000.00
Internal Accruals/Net worth/Unsecured Loans	1,819.33

#### Assumption for working capital requirements

(In months)

Particulars	Holding Level for March 31, 2017	Holding Level for March 31, 2018	Holding Level for March 31, 2019 (Estimated)
<b>Current Assets</b>			
Inventories			

Particulars	Holding Level for March 31, 2017	Holding Level for March 31, 2018	Holding Level for March 31, 2019 (Estimated)
-Raw Materials	0.71	1.87	1.50
-Work-in-Progress	10.17	4.94	3.50
-Finished Goods	0.66	3.33	3.03
Trade Receivables	0.73	1.45	1.49
<b>Current Liabilities</b>			
Trade Payables	4.08	3.70	2.40

### ***Justification for “Holding Period” levels***

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

Assets- Current Assets	
Inventories	<p>We have assumed lower level of inventories for the financial year 2018-19 as compared to financial year 2017-18, as we are expecting more improvement in our supply chain process and growth in business activities.</p> <p><b>Raw Material-</b> We have assumed raw material inventory level of 1.50 months for the financial year 2018-19 as against 1.87 months for the financial year 2017-18.</p> <p><b>Work-in-Progress-</b> We have assumed WIP holding levels of 3.50 months for the financial year 2018-19 as against 4.94 months for the financial year 2017-18.</p> <p><b>Finished Goods-</b> We have assumed finished goods inventory level of 3.03 months for the financial year 2018-19 as against 3.33 months for the financial year 2017-18</p>
Trade receivables	<p>We have assumed trade receivables period of 1.49 months for the financial year 2018-19 as against 1.45 months for the financial year 2017-18 as we intend to tap new customers and provide liberal credit facility to our trade receivables for expanding our sales.</p>
Liabilities–Current Liabilities	
Trade Payables	<p>In financial year 2018-19, the credit period is expected to be 2.40 months as against 3.70 months for the financial year 2017-18. Going forward we expect to prune our creditors days by infusing funds towards working capital from the net issue proceeds.</p>

Our Company proposes to utilize Rs. 1,544.00 lakhs of the Net Proceeds in FY 2018-19 towards our working capital requirements and the balance portion of our working capital requirement will be arranged from Internal Accruals/ Net Worth & Unsecured loans.

### **2. Repayment/ Pre-payment of certain unsecured loans availed from banks and financial institutions by our company:**

Our Company has entered into various financing arrangements with banks, financial institutions and others. The loan facilities entered into by our company include secured and unsecured borrowings in the form of term loans and fund based & non-fund based working capital facilities. For further details,

including indicative terms and conditions of such loan facilities availed by our company, see chapter titled “*Financial Indebtedness*” on page 257 of this Draft Red Herring Prospectus.

Our company propose to utilise an aggregate amount of Rs. 154.12 lakhs from the Net Proceeds towards repayment or prepayment of certain unsecured loans availed by our company from banks and financial institutions.. M/s Anil Bansal & Associates, Chartered Accountants vide their Certificate dated July 28, 2018 has certified that the total amount outstanding on the borrowings proposed to be repaid/pre-paid out of the Net Proceeds was Rs. 154.12 lakhs as on July 15, 2018. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

The details of the proposed repayment of the loans are provided below:

S. No .	Name of Lender	Nature of Borrowing	Date of the Loan Sanction Letters	Applicable Interest Rate (%)	Outstanding Amount as on July 15, 2018 (Rs. in Lakhs)	Repayment Schedule	Purpose of availing the Loan	Repayment from the Net Proceeds of the Issue (Rs. in lakhs)
1	Aditya Birla Finance Limited	Business Loan	March 27, 2018	18.25 %	22.84	Repayable in 36 Monthly Instalments of Rs. 0.91 lakh each starting from March 05, 2018.	Working Capital	21.72
2	Bajaj Finserv Limited	Business Loan	September 16, 2015	17.50 %	6.69	Repayable in 48 Monthly Instalments of Rs. 0.50 lakh each starting from November 02, 2015.	Working Capital	6.69

S. No .	Name of Lender	Nature of Borrowing	Date of the Loan Sanction Letters	Applicable Interest Rate (%)	Outstanding Amount as on July 15, 2018 (Rs. in Lakhs)	Repayment Schedule	Purpose of availing the Loan	Repayment from the Net Proceeds of the Issue (Rs. in lakhs)
3	Deutsche Bank AG	Medium Term WC	October 17, 2015	13.35 %	4.92	Originally Repayable in 36 Monthly Instalments of Rs. 1.69 lakhs each starting from November 19, 2015. Revised Repayment schedule of 27 monthly instalments of Rs. 1.67 lakhs each	Working Capital	4.92
4	Edelweiss Retail Finance Limited	Business Loan	October 05, 2016	18.00 %	19.34	Repayable in 37 Monthly Instalments of Rs. 1.45 lakhs each starting from October 05, 2016	Working Capital	19.34
5	HDB Financial	Personal Loan	March 06, 2017	19.00 %	14.26	Repayable in 36	Working Capital	14.26

S. No .	Name of Lender	Nature of Borrowing	Date of the Loan Sanction Letters	Applicable Interest Rate (%)	Outstanding Amount as on July 15, 2018 (Rs. in Lakhs)	Repayment Schedule	Purpose of availing the Loan	Repayment from the Net Proceeds of the Issue (Rs. in lakhs)
	Services Limited					Monthly Instalments of Rs. 0.92 lakh each starting from February 04, 2017		
6	IVL Finance Limited	Business Loan	July 19, 2017	18.50 %	20.66	Repayable in 24 Monthly Instalments of Rs. 1.77 lakhs each starting from September 05, 2017	Working Capital	20.66
7	Magma Fincorp Limited	Business Loan	April 28, 2016	19.43 %	3.60	Repayable in 36 Monthly Instalments starting from June 07, 2016 Instalment no 01 to 12 = Rs. 1.18 lakhs each Instalment no 13 to 24 = Rs. 1.05 lakhs	Working Capital	3.60

S. No .	Name of Lender	Nature of Borrowing	Date of the Loan Sanction Letters	Applicable Interest Rate (%)	Outstanding Amount as on July 15, 2018 (Rs. in Lakhs)	Repayment Schedule	Purpose of availing the Loan	Repayment from the Net Proceeds of the Issue (Rs. in lakhs)
						each Instalment no 25 to 36 = Rs. 0.39 lakh each		
8	Magma Fincorp Limited	Business Loan	February 23, 2018	18.50 %	20.52	Repayable in 24 Monthly Instalments of Rs. 1.25 lakhs each starting from March 07, 2018	Working Capital	20.52
9	Tata Capital Financial Services Limited	Business Loan	November 29, 2017	18.00 %	26.05	Repayable in 24 Monthly Instalments of Rs. 1.75 lakhs each starting from January 03, 2018	Working Capital	26.05
10	United Petro Finance Limited	Business Loan	November 28, 2017	26.75 %	16.37	Repayable in 18 Monthly Instalments of Rs. 1.70 lakhs each starting	Working Capital	16.37

S. No.	Name of Lender	Nature of Borrowing	Date of the Loan Sanction Letters	Applicable Interest Rate (%)	Outstanding Amount as on July 15, 2018 (Rs. in Lakhs)	Repayment Schedule	Purpose of availing the Loan	Repayment from the Net Proceeds of the Issue (Rs. in lakhs)
						from December 12, 2017		
	<b>Total</b>				<b>155.24</b>			<b>154.12</b>

We may repay the above borrowings, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue.

### 3. General Corporate Purposes:

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

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

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

### ISSUE RELATED EXPENSES

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

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)



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

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

*\*\*SCSBs will be entitled to a processing fee of Rs. [●]/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

*Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be [●] % on the Allotment Amount# or Rs [●]/- whichever is less on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

*#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

## **BRIDGE FINANCING**

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

## **APPRAISAL BY APPRAISING AGENCY**

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

## **INTERIM USE OF FUNDS**

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

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

## **MONITORING UTILIZATION OF FUNDS**

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

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

#### **VARIATION IN OBJECTS**

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

#### **OTHER CONFIRMATIONS**

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

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 22 and 239 respectively and chapter titled “*Our Business*”, beginning on page 169 of this Draft Red Herring Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

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

- Experienced Management and employees;
- Strong customer relationship
- Locational advantage
- Focus on quality

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 169 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

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

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

Year Ended	EPS(Rs.)	Weight
March 31, 2018	6.54	3
March 31, 2017	0.83	2
March 31, 2016	0.58	1
<b>Weighted Average</b>		<b>3.64</b>

**changes in capital:**

#### Notes:

1. The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year. Earnings per share has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-.
2. On March 31, 2018, our Company issued 41,70,000 Equity Shares to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.

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

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

Highest	33.30
Lowest	27.66
Average	30.48

*\*Industry Composite comprises of Exide Industries Limited and Amara Raja Batteries Limited.*

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

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

Year Ended	RoNW (%)	Weight
March 31, 2018	35.93	3
March 31, 2017	7.12	2
March 31, 2016	5.31	1
<b>Weighted Average (%)</b>		<b>21.22</b>

#### Note:

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

### 4. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018:

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

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

### 5. Net Asset Value (NAV) per share:

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2018	18.21
Net Asset Value per Equity Share after the Issue- At Cap Price	[●]
Net Asset Value per Equity Share after the Issue- At Floor Price	[●]
Issue Price per equity share	[●]

#### Note:

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year.

### 6. Comparison with listed industry peers:

Companies	CMP*	Basic and Diluted EPS	PE Ratio	RONW (%)	NAV (per share)	Face Value (per share)	Total Income (Rs. in Lakhs)
Electra Accumulators Limited	[●]	6.54	[●]	35.93	18.21	10.00	7,384.86
<b>Peer Group**</b>							
Exide Industries Limited	261.90	7.86	33.31	12.40%	63.40	1.00	9,51,821.00
Amara Raja Batteries Limited	762.40	27.59	27.63	16.05%	171.98	1.00	6,29,935.00

\* CMP for our Company is considered as Issue Price

\*\*Source: [www.nseindia.com](http://www.nseindia.com)

**Notes:**

- Considering the nature and size of business of the Company the peers are not strictly comparable. However same have been included for broad comparison.
- The figures for Electra Accumulators Limited are based on the restated results for the year ended March 31, 2018.
- The figures for the peer group are based on the standalone audited results for the year ended March 31, 2018.
- Current Market Price (CMP) is the closing price of peer group scrip as on July 19, 2018 on NSE. However, CMP for our Company is the Final Price that will be determined on completion of the Book Building Process and will be updated at the time of filing Final Prospectus with the ROC.
- NAV is computed as the closing net worth divided by the closing outstanding number of paid up equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserve and miscellaneous expenditure).
- P/E Ratio has been computed based on the closing market price of peer group's equity shares on July 19, 2018 on NSE as divided by the Basic EPS provided.
- RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserve less miscellaneous expenditure not written off).
- Electra Accumulators Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the issue in English and Hindi National newspapers and one regional newspaper with wide circulation.

For further details see section titled “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 239 of this Draft Red Herring Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFIT

**To**  
**The Board of Directors**  
**ELECTRA ACCUMULATORS LIMITED**  
19, Mahavir Nagar,  
N.H. No: 8,  
Vapi-396195,  
Gujarat

Dear Sir,

**Sub: Statement of possible Special tax benefit ('the Statement') available to Electra Accumulators Limited and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by Electra Accumulators Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders' to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The amendments in Finance Act 2018 have been incorporated to the extent relevant in the enclosed annexure.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the Investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

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

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

**For: Anil Bansal & Associates**  
**Chartered Accountants**

Firm Registration Number: 100421W

**Anil Bansal**  
**(Proprietor)**  
**Membership No. 043918**

Place: Mumbai  
Date: 19/07/2018

Encl: Annexure

## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

➤ **Special Tax Benefits available to the Company under the Act:**

- There are no special Tax benefits available to the Company under the Act.

➤ **Special Tax Benefits available to the shareholders of the Company under the Act:**

- There are no special Tax Benefits available to the shareholders of the Company.

Notes:

The above Statement of Possible Special Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.



## **SECTION IV- ABOUT THE COMPANY OUR INDUSTRY**

The information in this section is derived from report titled “Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018” (“CARE Report”) and also includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 22 and 239 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

The CARE Report was commissioned by our Company and has been prepared by CARE Advisory – a division of CARE Advisory Research and Training Limited, for which, our Company had made a payment to CARE Advisory. CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. CARE Advisory, a division of CARE Advisory Research and Training Limited has taken due care and caution in preparing the CARE Report based on the information obtained by CARE from sources which it considers reliable (the “Data”). However, CARE does not guarantee the accuracy, adequacy or completeness of the Data/ CARE Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report.

The CARE Report is not a recommendation to buy, sell or hold an instrument in any company covered in the CARE Report. CARE Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Advisory. CARE Advisory operates independently of, and does not have access to information obtained by CARE’s Ratings Division, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CARE Report are that of CARE Advisory and not of CARE’s Ratings Division/CARE Ratings and cannot be compared to the rating assigned to the company within this industry by the ratings division.

### **INTRODUCTION TO BATTERY MANUFACTURING INDUSTRY**

Battery is an essential requirement to start electrically operating equipment’s, especially in electrically operated vehicles. And also, in case of mains failures or interruptions in power supply, a standby or backup power is necessary for critical applications. Therefore a battery provides the necessary power to Startup as well as standby depending on the type of application. Some of the applications of the batteries include automobiles, railways, airlines, defense, telecommunication, power stations, industries, and so on. The battery manufacturing process of each company has its own special technical patented and secret processes, which are not bound to be revealed to masses.

**Lead-Acid Batteries** - A lead-acid battery is commonly used in automobile applications and UPS systems. These batteries provide sufficient energy to start engines, and are maintenance free and durable. Mainly 98% of these batteries are recyclable, and therefore, they minimize environmental impact while being disposed off. The lead battery is manufactured by using lead alloy ingots and lead oxide it comprises two chemically dissimilar leads based plates immersed in sulphuric acid solution. The positive plate is made up of lead dioxide PbO<sub>2</sub> and the negative plate with pure lead. The nominal

electric potential between these two plates is 2 volts when these plates are immersed in dilute sulphuric acid. This potential is universal for all lead acid batteries. Therefore, a 12 volt lead acid battery is made up of six cells that are connected in series are enclosed in a durable plastic casing.

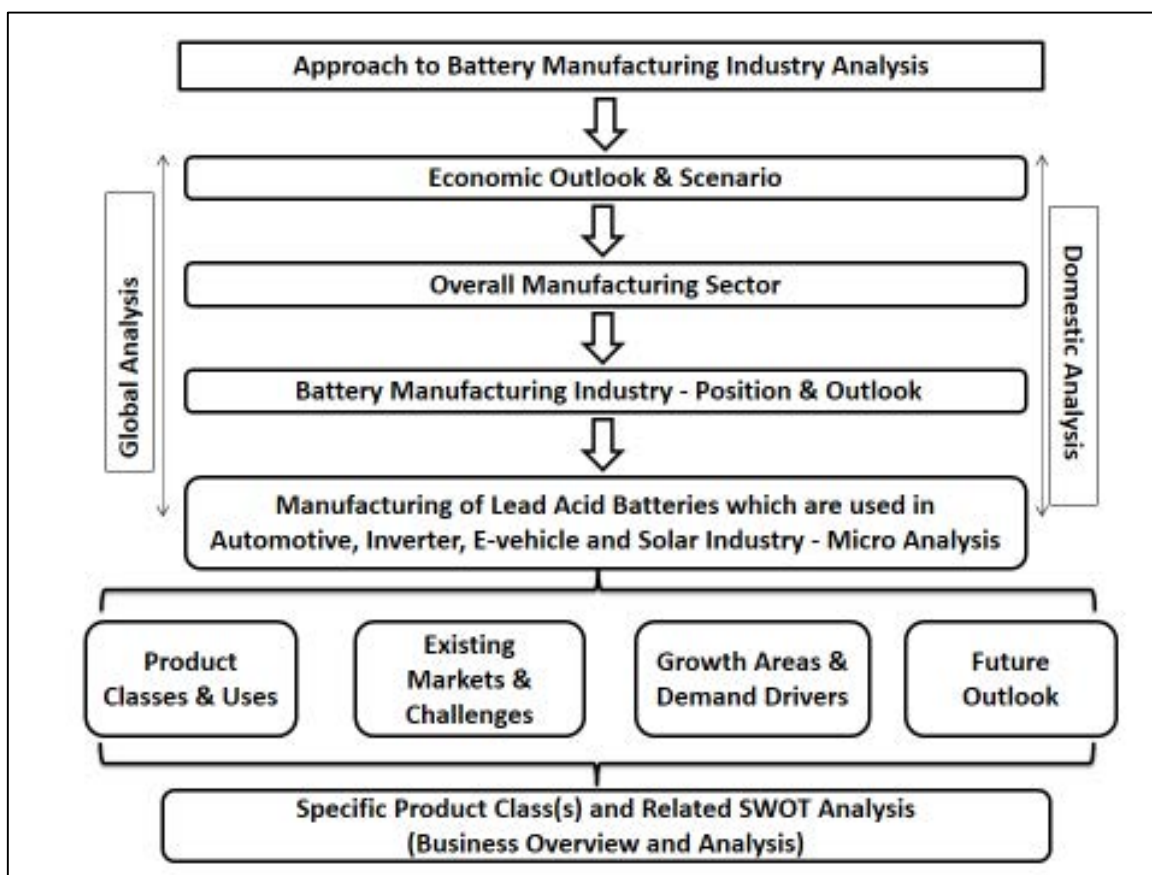
Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## APPROACH TO MANUFACTURING OF BATTERIES INDUSTRY

Analysis of Manufacturing of batteries Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Manufacturing of Batteries Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Manufacturing of Batteries Industry.

Manufacturing Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is “Manufacturing of Batteries Industry”, which in turn encompasses various segments such as Manufacturing of Lead Acid Batteries which are used in Automotive, Inverter, E-vehicle and Solar Industry etc.

Thus, the segments of manufacturing of lead acid batteries industry should be analysed in the light of “Manufacturing Sector” at large. An appropriate view on lead acid batteries Segment, then, calls for the overall economic outlook, performance and expectations of Manufacturing Sector, position of Battery Products Manufacturing Industry and micro analysis thereof.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (‘Pantomath’) and any unauthorized reference or use of this Note, whether in the context of Manufacturing of Batteries Industry and / or any other industry, may entail legal consequences.

## GLOBAL ECONOMIC OVERVIEW

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

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

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

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

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

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

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the

political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

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

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

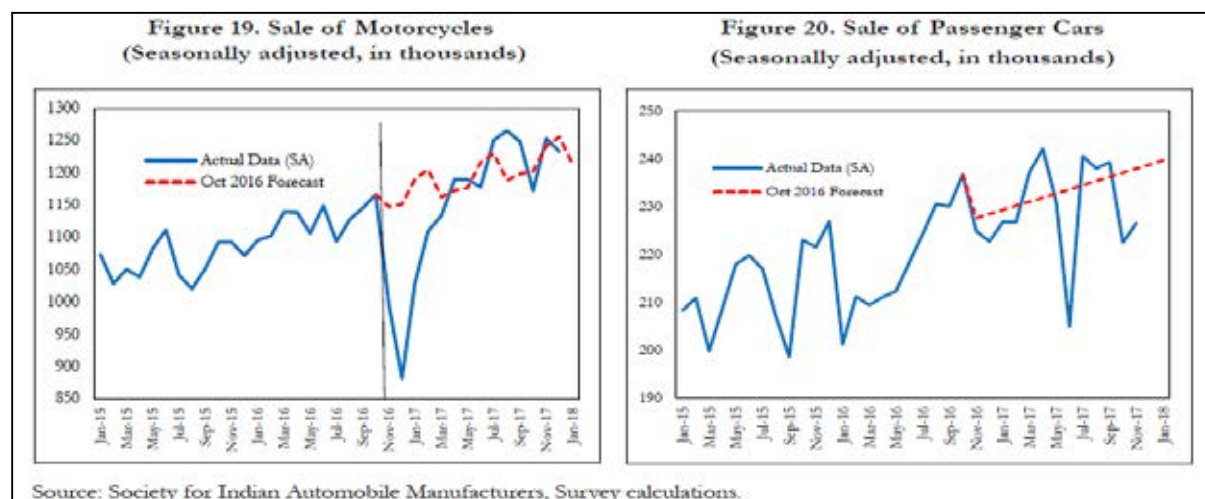
(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

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

### Economic activity

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

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



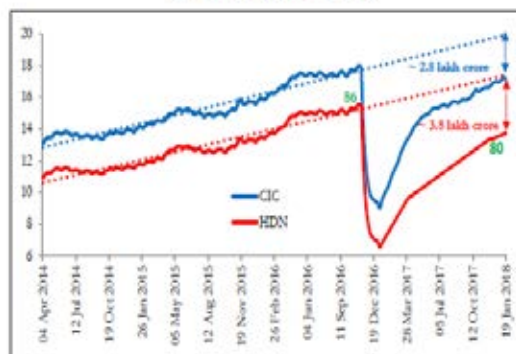
Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with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

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



Source: RBI, Survey calculations.

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



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

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

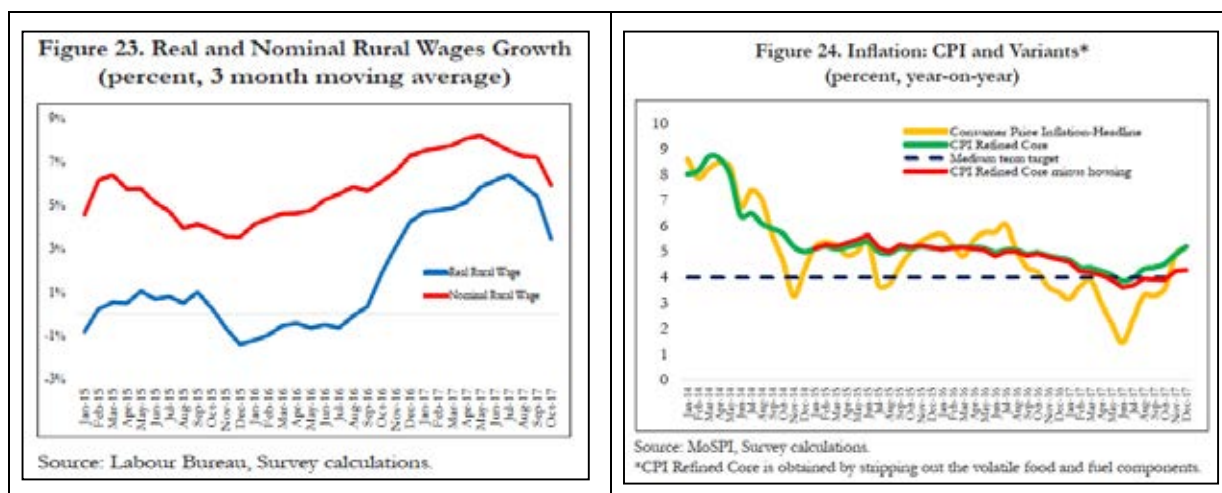
A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth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

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

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

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





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

### Macroeconomic indicators

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

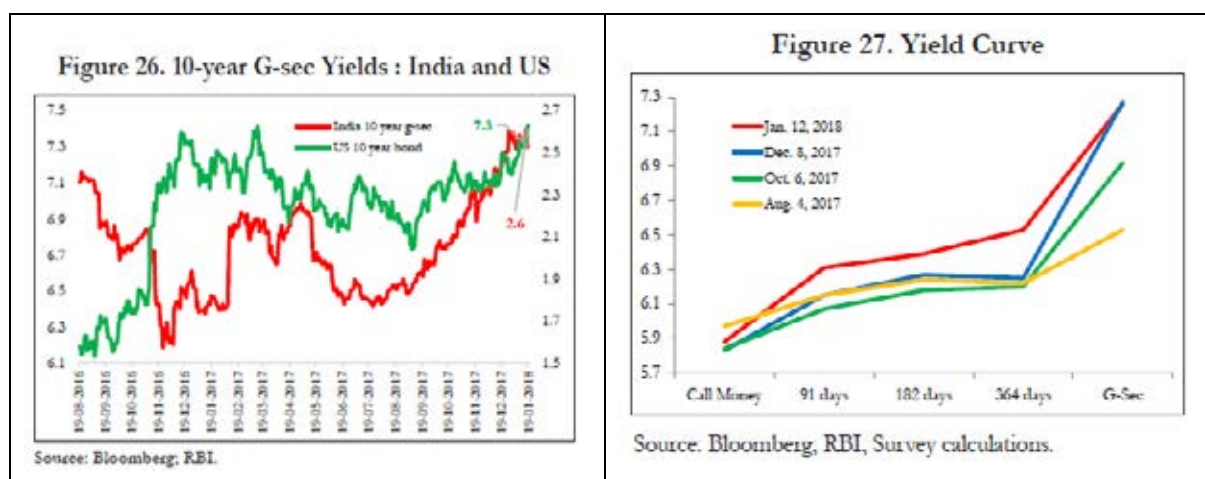
The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the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

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

### Fiscal developments

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

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



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

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

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

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

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

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

## OUTLOOK FOR 2018-19

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

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

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

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

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

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

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

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output



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

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

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

## GLOBAL MANUFACTURING SECTOR

### World Manufacturing Growth

Following the improved growth rate of global manufacturing in 2017 both in industrialized as well as in developing and emerging industrial economies, the year 2018 set off with major downturn risks caused by a new wave of protectionism. This development has not yet had an impact on the dynamics of manufacturing growth. New tariffs and economic sanctions announced by the United States as well as uncertainties related to Brexit are considered impending threats of another slowdown of global industrial growth. The improved growth conditions in industrialized economies in 2016-2017 continue to have a positive impact on global manufacturing. As a result, world manufacturing output maintained an impressive growth rate of 4.2 per cent in the first quarter of 2018.

Industrialized economies, accounting for more than half of world industrial output, played a major role in this development. New fiscal stimuli — above all, in the United States, but in Germany as well — are expected to further boost short-term growth. This and other factors according to the OECD will continue to drive and strengthen world manufacturing output.<sup>6</sup> As already mentioned above, increased trade tensions may, however, have detrimental effects on production growth and jobs. Data for the first quarter of 2018 generally indicate that year-over-year manufacturing growth has only decreased marginally (Figure 1). Data for China is to the extent possible presented separately from the country groups due to the size of the country's economy.



Industrialized economies continued to maintain the higher growth rates attained at the end of 2017. In the first quarter of 2018, this country group's manufacturing output rose by 2.9 per cent compared to the same period in 2017. This growth was attributable to the dynamic recovery of Europe's manufacturing sector, which increased by 4.1 per cent in the first quarter of 2018. At the same time, North America's manufacturing output rose by 2.6 per cent. The growth rate of East Asia's industrialized economies remained below 2.0 per cent due to the poor performance of the Republic of Korea, where manufacturing output dropped by 3.1 per cent in the first quarter of 2018.

China, the world's largest manufacturer, maintained a robust year-over-year growth rate of about 6.3 per cent despite the import restrictions announced by the United States against Chinese products. The manufacturing output of developing and emerging industrial economies (excluding China) registered the most dynamic growth rate in recent quarters and achieved an overall growth rate of 4.8 per cent compared to the same quarter of 2017. Developing economies in Asia and Pacific recorded a high growth rate of 5.5 per cent in the first quarter of 2018, supported in particular by India with an impressive growth rate of 7.0 per cent. An even higher increase of 7.7 per cent was observed in the group of developing economies in the Eastern Europe region.

Latin America continued its recovery and expanded its manufacturing output by 2.7 per cent compared to the first quarter of 2017. The year-over-year growth rate of Brazil's economy of 4.4 per cent has had a considerable impact on Latin America's strong performance. Growth estimates based on limited data also showed a positive growth rate of nearly 2 per cent for Africa's manufacturing output. In short, manufacturing production expanded across all industrialized and developing regions in the first quarter of 2018 compared to the same period of the previous year, which confirms manufacturing's sustained recovery at the global level.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org) )

### **Industrialized economies**

All industrialized regions, namely East Asia, Europe and North America, recorded positive growth rates and the overall upward trend in industrialized economies continued in the first quarter of 2018. After the strong growth at the end of 2017, reaching 5.0 per cent in the fourth quarter, some moderation in Europe's pace of growth was observed (4.1 per cent in the first quarter of 2018) compared to the same period of the previous year. The rate of growth in the eurozone countries fell more noticeably to slightly under 4.0 per cent. Overall, however, economic growth is expected to remain solid and broad-based according to the European Central Bank, implying a strengthening of business investments building on very favourable financing conditions, rising corporate profitability and robust demand.<sup>7</sup> A closer look at the leading eurozone economies reveals that year-over-year manufacturing output increased by 4.6 per cent in Italy, 4.2 per cent in Germany and 3.0 per cent in Spain. French manufacturing output, however, experienced its worst quarterly drop since 2012 (-1.8 per cent compared to the fourth quarter of 2017), but was able to maintain a positive growth rate of 2.0 per cent compared to the first quarter of the previous year. With the exception of Malta, the manufacturing production of other eurozone economies continued to witness positive growth figures. Remarkable growth was achieved by Slovenia (9.3 per cent), Lithuania (7.0 per cent) and Austria (6.4 per cent). A fairly robust growth rate was furthermore observed in Estonia and Luxembourg (5.8 per cent each), the Netherlands (4.9 per cent) and Finland (4.1 per cent).

Beyond the eurozone, the United Kingdom and Denmark, in particular, experienced a rather moderate year-over-year growth rate (2.6 and 2.0 per cent, respectively), while Sweden (+7.0 per cent) and Czechia (+6.2 per cent) successfully extended their periods of high growth already witnessed over the last quarters. Among non-EU economies, Belarus, which in accordance with UNIDO criteria has recently been added to the group of industrialized economies, showed strong growth in the first quarter of 2018 (9.9 per cent). This high growth rate was driven by the production of machinery and equipment, petroleum refineries and the manufacturing of transport vehicles and equipment.

The growth rate of the Russian Federation turned positive again, with an estimated 0.8 per cent rise of manufacturing output. The country's performance, however, lagged far behind that of other industrialized countries. North America's overall manufacturing production grew by 2.6 per cent compared to the same period of the previous year, with an increase in output of 2.5 per cent in the United States and even 3.8 per cent in Canada. It remains to be seen whether the tax reforms in the United States and the expected stimulus for investment will result in further growth, as an increase in the reshoring of manufacturing activities is very likely. However, protectionist policies threaten to disrupt an otherwise promising economic outlook.

Japan's manufacturing output rose by 2.6 per cent, the seventh straight quarter of year over-year growth of manufacturing production. Industrial momentum remains strong in the world's third-largest manufacturer. The country's manufacturing output was boosted by the rapid growth of machinery and equipment.

By contrast, the manufacturing output of the Republic of Korea dropped by 3.1 per cent due to the weak performance of motor vehicles and machinery, which also had significant ripple effects in various materials and components industries. It is the second consecutive quarter of negative economic growth of more than 1.0 per cent. Among other East Asian economies, Singapore and Malaysia showed a strong performance with a growth rate of 9.8 per cent and 5.2 per cent, respectively.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org) )

### **Developing and Emerging Industrial Economies**

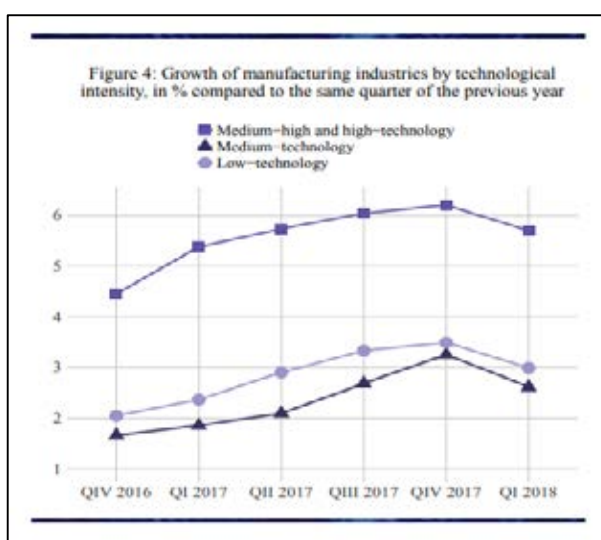
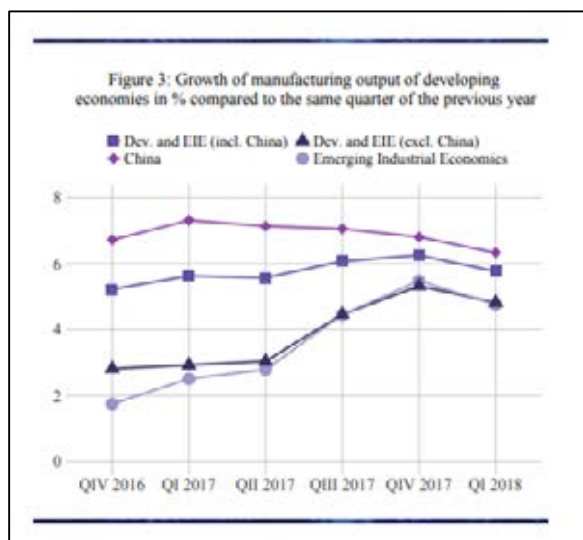
Earlier quarterly reports included China in the group of emerging industrial economies. However, due to the size and new characteristics of the economy, China is presented separately from the other country groups. Moreover, China is rapidly transforming into an industrialized economy owing to the country's extended high growth period.

#### **China**

China's manufacturing output rose by 6.3 per cent in the first quarter of 2018. The country's growth was slightly lower than in the previous quarter, when it reached 6.8 per cent. The strongest growth performance was observed in computer electronics (12.1 per cent). The production of motor vehicles and pharmaceuticals increased by about 10.0 per cent each. The combined growth of medium-high- and high technology-industries was estimated at 9.0 per cent, indicating a significant shift of Chinese manufacturing from low- to high-tech-sectors.

#### **Developing and emerging industrial economies (excl. China)**

Manufacturing output in China and in developing and emerging industrial economies (excluding China) remained strong overall, but there is clear evidence that the latter group comprising emerging industrial economies has been more dynamic since the third quarter of 2017 (Figure 3).



The growth performance of the Asia and Pacific region, in particular, increased by 5.5 per cent compared to the same period of the previous year. As regards another large Asian economy, India's manufacturing output grew by 7.0 per cent, leading to the expectation that India is on a sustained recovery path. Compared to the same quarter of the previous year, manufacturing output in Mongolia rose by 11.9 per cent and by 5.5 per cent in both Indonesia and Viet Nam. The manufacturing of electronics, computers and optical products as well as steel production strongly contributed to the growth observed in Viet Nam.

Latin America prolonged the phase of expanding the region's manufacturing output with a year-over-year growth rate of 2.7 per cent. Not only the rise in Brazil's manufacturing output by 4.4 per cent indicates continued recovery from the downturn in 2016. Argentina, Chile and Uruguay's manufacturing sectors grew around 3.0 per cent, while Mexico was slightly less dynamic with a growth rate of 1.3 per cent compared to the first quarter of 2017. The discussions surrounding the re-negotiation of the North American Free Trade Agreement might trigger uncertainty in Mexico, in particular, considering its close trade links with the U.S. economy, which is one of the main importers of Mexican manufactured products.

Growth estimates based on limited data for African countries generally indicated a moderate rise in manufacturing output. Manufacturing production in Egypt rose by 1.1 per cent, by 2.0 per cent in Nigeria, 1.5 per cent in South Africa and 2.8 per cent in Tunisia. Cote d'Ivoire reported a 9.6 per cent growth rate in manufacturing output. This was primarily attributable to a strong development of the agro-industrial sector, including the manufacturing of food and beverages.

Among the developing and emerging industrial economies of Europe, Turkey registered an impressive growth figure of 9.9 per cent compared to the first quarter of 2017. Experts mainly attribute this growth to the inflow of foreign short-term investments as well as government policies, including the rise in bank lending, tax cuts and other incentives. Higher growth rates were also observed in other countries of the region. Cyprus's manufacturing output rose by 10.1 per cent that of the Republic of Moldova by 9.1 per cent and Romania's by 7.6 per cent. Albania, FYR Macedonia, Latvia, Poland and Serbia attained growth rates of more than 5.0 per cent.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

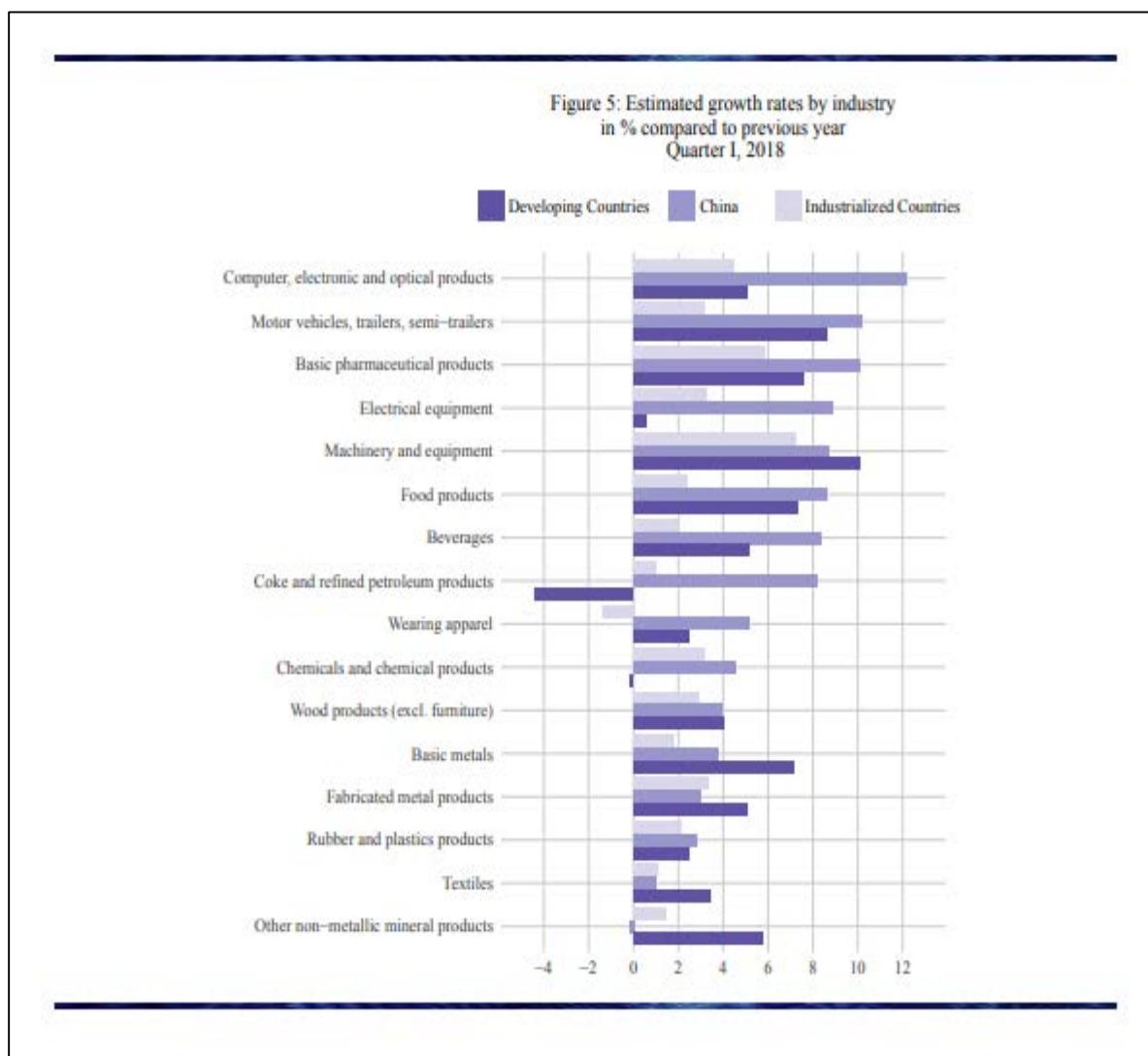
### **Findings by Industry Groups**

Industries grouped according to technological intensity have seen fairly similar growth patterns in recent periods. Growth in manufacturing output has decelerated in all industry groups since the beginning of 2018, with differences in the level of growth. While the growth rate of medium-high- and high-technology manufacturing industries at the global level was above 5.0 per cent, medium- and low-technology industries consistently performed lower. Despite some remarkable developments, the data underscores that investment in high-technology industries is a key component in the generation of innovation, leading to significant economic growth. Overall, medium-high- and high technology manufacturing industries reached a year-over-year growth rate of 5.7 per cent in the first quarter of 2018. This was largely driven by strong growth of about 9.0 per cent in China. India and Brazil's contributions are noteworthy as well, with a growth rate of 10.8 per cent and 8.1 per cent, respectively. Europe and Japan reported again more than solid rates, reaching 5.3 respectively 5.1 per cent. North America could not quite keep the pace with a year-over-year growth of 3.4 per cent. As potential tariffs were also pronounced for high tech products, it will of course be interesting to observe the respective development in the following quarters.

A decomposition of medium high- and high-technology industries reveals that the global production of machinery and equipment witnessed the highest growth rate at 7.9 per cent, followed by computers, electronics and optical products, which maintained a consistent year-over-year growth rate of over 7.2 per cent since the first quarter of 2017. The production of basic pharmaceutical products ranked third, achieving a growth rate of 7.1 per cent compared to the same quarter of the previous year. The global production of basic metals increased by 3.6 per cent, followed by rubber and plastic products at 2.3 per cent and non-metallic mineral products at 1.8 per cent. Food products rose by 4.8 per cent, making an essential contribution to global food supply. With a population growth of 1.2 per cent, an increased rate of growth in food products implies an improvement in per capita food consumption worldwide. Among other consumer goods, wearing apparel rose by 3.0 per cent and leather products by 3.7 per cent. Consumer goods generally increased at a much higher pace in developing and emerging industrial economies than in industrialized economies. Figure 5 illustrates the growth rates for various industries in detail. While most of the growth rates are positive, wearing apparel has declined in industrialized countries whereas coke and refined petroleum products decreased in developing countries (excluding



China). Additional data on growth rates in the first quarter of 2018 are available in the Statistical Tables.



(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

## INDIAN MANUFACTURING SECTOR

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*.

### Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

As per Labour Bureau's Quarterly Report on Employment Scenario, manufacturing sector added an estimated 89,000 jobs in the second quarter of 2017-18.

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- As of May 2018, The Chatterjee Group (TCG) is planning to set up a Continuous Polymerisation (CP) unit and a spinning unit, which will act as forward integrated units for its petrochemicals subsidiary MCPI.
- As of April 2018, Rallis India, a subsidiary of Tata Chemicals, is planning to undertake backward integration as its inputs have become costlier and the move will help the company to ease pressure on its profit margins.
- For its Commercial Vehicles, Ashok Leyland is utilising machine learning algorithms and its newly created telematics unit to improve the performance of the vehicle, driver and so on.

### **Government Initiatives**

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US\$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the "Strategic Partnership" model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

### **Road Ahead**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common

market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on March 30, 2018

Notes: \* - According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Indian Manufacturing Industry Analysis - India Brand Equity Foundation - [www.ibef.org](http://www.ibef.org))

## **AUTOMOBILE INDUSTRY IN INDIA**

### **Introduction**

The Indian auto industry became the 4th largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2017.

The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Overall automobile exports from India grew at 6.86 per cent CAGR between FY13-18. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two wheeler and four wheeler market in the world by 2020.

### **Market Size**

Overall domestic automobiles sales increased at 7.01 per cent CAGR between FY13-18 with 24.97 million vehicles getting sold in FY18.

The auto industry is set to witness major changes in the form of electric vehicles (EVs), shared mobility, Bharat Stage-VI emission and safety norms. Electric cars in India are expected to get new green number plates and may also get free parking for three years along with toll waivers@. Sales of electric two-wheelers are estimated to have crossed 55,000 vehicles in 2017-18. Premium motorbike sales in India crossed one million units in FY18.

### **Investments**

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 18.413 billion during the period April 2000 to December 2017, according to data released by Department of Industrial Policy and Promotion (DIPP).

Some of the recent/planned investments and developments in the automobile sector in India are as follows:

- Ashok Leyland has planned a capital expenditure of Rs 1,000 crore (US\$ 155.20 million) to launch 20-25 new models across various commercial vehicle categories in 2018-19.
- Mahindra & Mahindra (M & M) is planning to make an additional investment of Rs 500 crore (US\$ 77.23 million) for expanding the capacity for electric vehicles in its plant in Chakan.

### **Government Initiatives**

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route.

Some of the recent initiatives taken by the Government of India are -

- The Government of Karnataka is going to obtain electric vehicles under FAME Scheme and set up charging infrastructure across Bengaluru, according to Mr R V Deshpande, Minister for Large and Medium Industries of Karnataka.
- The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The government will also set up incubation centre for startups working in electric vehicles space.
- Energy Efficiency Services Limited (EESL), under Ministry for Power and New and Renewable Energy, Government of India, is planning to procure 10,000 e-vehicles via demand aggregation, and has already awarded contracts to Tata Motors Ltd for 250 e-cars and to Mahindra and Mahindra for 150 e-cars.
- The government is planning to set up a committee to develop an institutional framework on large-scale adoption of electric vehicles in India as a viable clean energy mode, especially for shared mass transport, to help bring down pollution level in major cities.

### **Road Ahead**

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Two-wheelers are expected to grow 9 per cent in 2018.

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

**References:** *Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Society of Indian Automobile Manufacturers (SIAM), Union Budget 2015-16, Union Budget 2017-18*

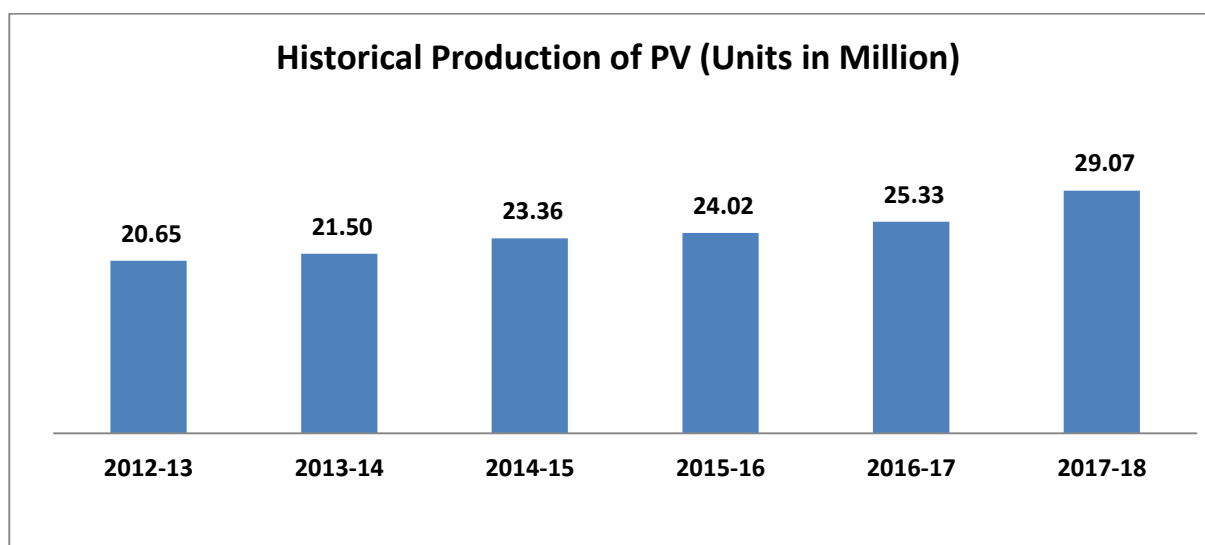
**@ - as per the draft policy on e-vehicles prepared by NITI Aayog, Government of India**

(Source: *Automobile Industry in India Analysis - India Brand Equity Foundation - [www.ibef.org](http://www.ibef.org)*)

## **INDIAN AUTOMOBILE INDUSTRY**

### **Overview on Automobile Industry**

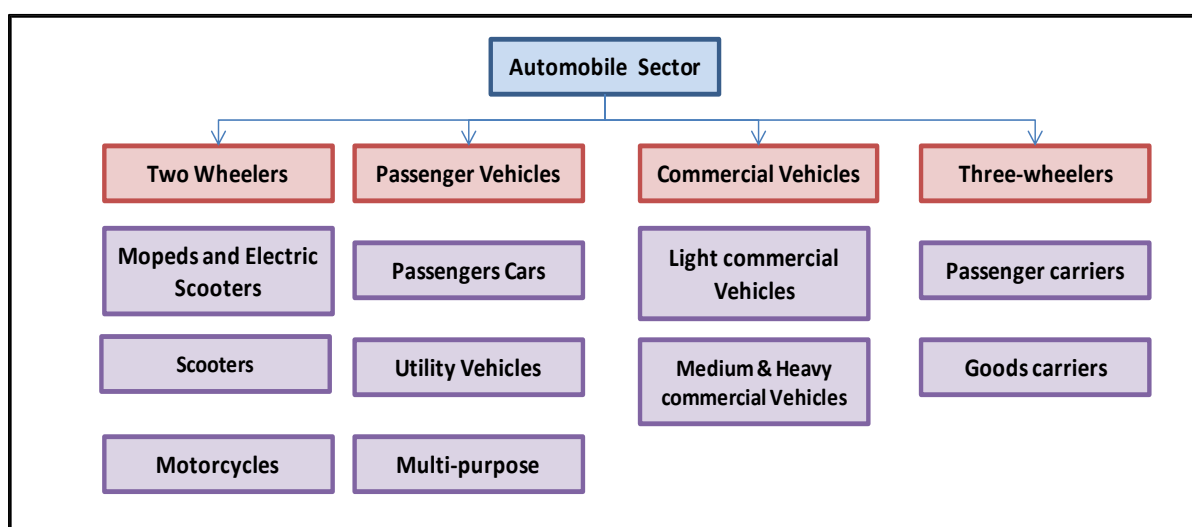
The automotive industry in India is one of the largest in the world with an annual production of 29.07 million vehicles in FY (fiscal year) 2017–18, following a growth of 15.0% over the last year.



(Source:-SIAM)



## Indian Automobile market is split in 4 segments



Source: - Industry, CARE Research)

## Auto Industry performance FY 2017-18

In FY 2017-18, auto industry registered a sharp double-digit growth of over 14.8% y-o-y in overall sales vis-à-vis a 5.5% growth registered a year ago during the same period.

The sales were driven by strong performance registered by commercial vehicles reporting 10.4% growth in sales. Two & three wheelers segments of the industry increased by 16.1% and 30% while passenger vehicles sales increased by about 7.9% during the year according to the latest numbers of the industry body SIAM (Society of Indian Automobile Manufacturer).

## Indian Automobile Domestic Sales Trends

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Passenger Vehicles	25,03,509	26,01,236	27,89,208	30,47,582	32,87,965
Growth PV%	-6.1%	3.9%	7.2%	9.3%	7.9%
Commercial Vehicles	6,99,035	6,98,298	7,86,692	8,10,253	8,94,551
Growth CV%	(16.0%)	(0.1%)	12.7%	3.0%	10.4%
Three Wheelers	8,30,108	9,49,019	9,34,104	7,83,721	10,21,911
Growth 3W%	(-1%)	14%	(2%)	(16%)	30%
Two Wheelers	1,68,83,049	1,84,89,311	1,88,30,227	1,99,33,739	2,31,47,057
Growth 2W%	7.2%	9.5%	1.8%	5.9%	16.1%
Total	2,15,00,165	2,33,58,047	2,40,16,068	2,53,29,383	2,90,73,892
Total Automobile Growth	4.1%	8.6%	2.8%	5.5%	14.8%

(Source: - CMIE, SIAM)

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

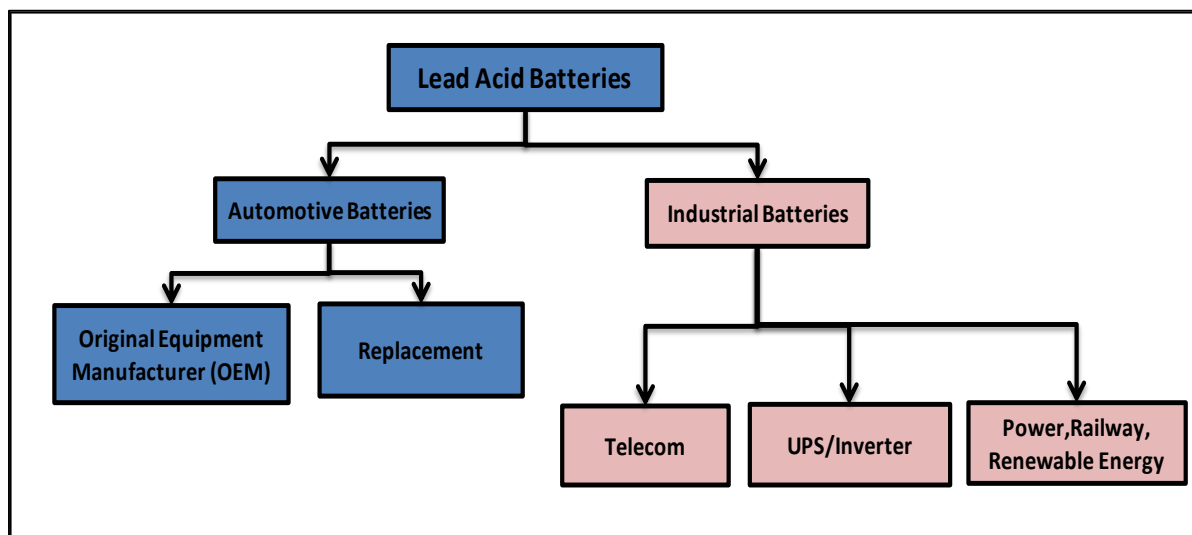
## LEAD-ACID BATTERIES SEGMENT

A lead-acid battery is commonly used in automobile applications and UPS systems. These batteries provide sufficient energy to start engines, and are maintenance free and durable. Mainly 98% of these batteries are recyclable, and therefore, they minimize environmental impact while being disposed off.

The lead battery is manufactured by using lead alloy ingots and lead oxide it comprises two chemically dissimilar leads based plates immersed in sulphuric acid solution. The positive plate is made up of lead

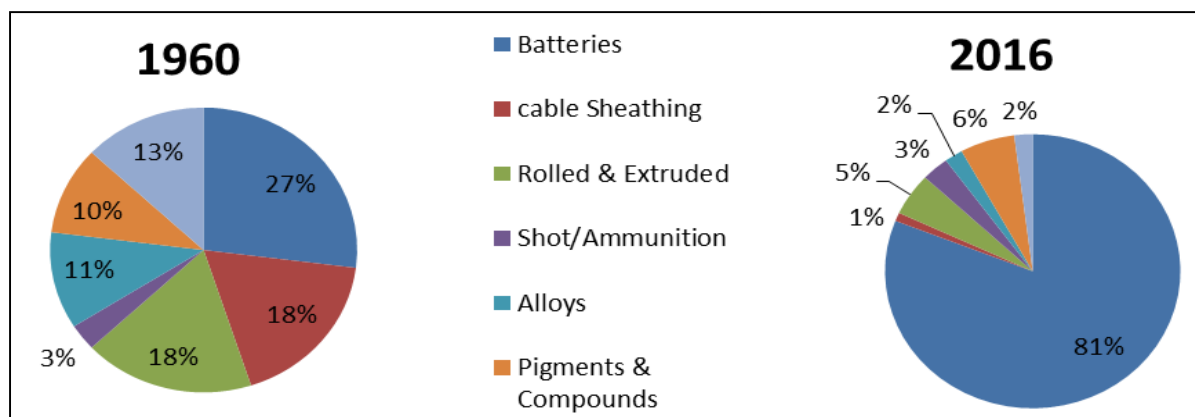
dioxide PbO<sub>2</sub> and the negative plate with pure lead. The nominal electric potential between these two plates is 2 volts when these plates are immersed in dilute sulphuric acid. This potential is universal for all lead acid batteries. Therefore, a 12 volt lead acid battery is made up of six cells that are connected in series are enclosed in a durable plastic casing. The main parts of the battery are plates, i.e., anode and cathode plates, separators, electrolyte or sulphuric acid, case, cell connectors and terminals.

### Lead Battery Industry Structure



Lead Battery has uses in various electrical applications such as Inverter, Street Light, Automotive, UPS, Telecom, Solar Energy and Electric Vehicles due to its lower cost and Low Maintenance.

### Global Lead End Uses



(Source: - ILZSG)

Globally major use of lead is in battery segment as compared to other segment as shown in above chart. Around 27% of the lead was used for production of Batteries in 1960 which has increased to 81% in 2016 leading more demand of lead for the production of batteries in current scenario.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com)

### AUTOMOTIVE AND E-RICKSHAW BATTERY SEGMENT

Automotive and e-rickshaw battery demand depends upon the growth of Automobile Industry & Replacement cycle of Batteries.

### Structure of Indian Automotive Industry

Automotive industry is divided into three segments as follows:

### **Auto-Components Manufacturer:**

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

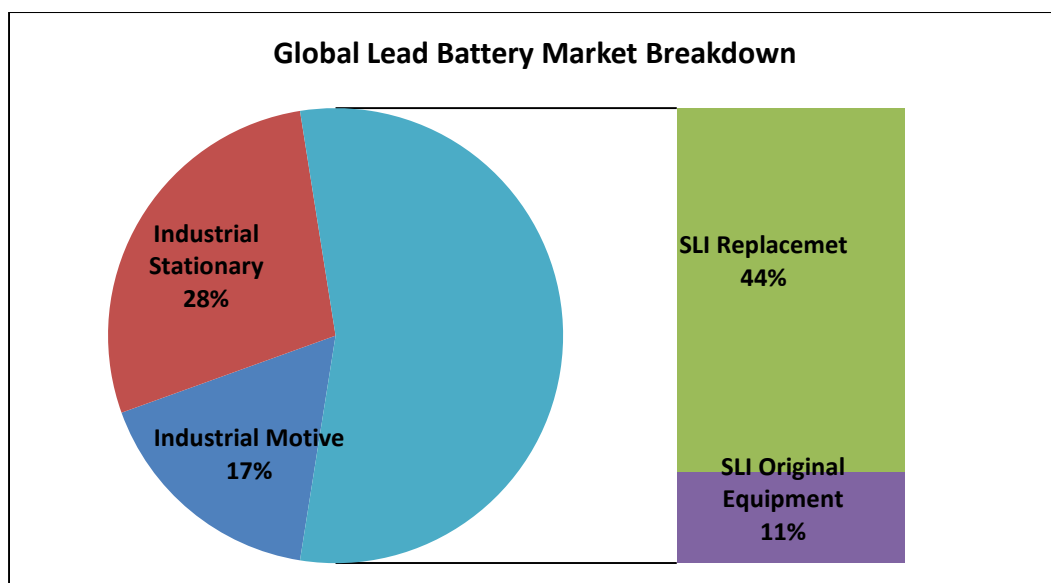
### **Original Equipment Manufacturer (OEM):**

The OEM is the original producer of a vehicle's components, and so OEM car parts are identical to the parts used in producing a vehicle. Aftermarket parts are produced by other vendors.

### **Replacement:**

Replacement segment refers to the replacement market of the auto parts after their lifespan comes to end they need to be replaced with the new one.

### **Global Trend**



(Source-ILZSG)

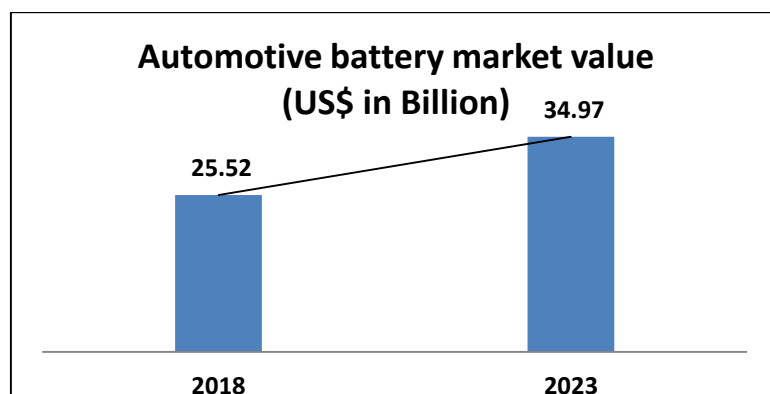
Lead-acid batteries are majorly used for SLI (Starter, Lighting and Ignition) applications in conventional vehicles owing to their higher cold cranking performance, low cost, and increased reliability. Some of the key benefits of lead-acid batteries are inexpensive and simple in manufacturing, capable of high discharge rates, minimal maintenance, and superior starting capacity.

### **Lead acid battery to remain for SLI applications in EVs**

- Contrary to general perceptions, electric cars have 12v Lead Acid Battery (LAB) as auxiliary battery for SLI applications – similar to ICE engine powered car.
- LAB is preferred for its ability to provide the high surge currents needed for an automobile's starter motor, making them a reliable power source at an affordable cost
- According to research we believe LAB will continue to remain relevant even in EV world, unless there is any significant change in technology.
- However full electric 2W and 3W vehicles don't operate on lead acid battery, hence can risk existing lead acid batteries opportunities going ahead. As per research we estimate 2Ws and 3Ws contribution to automotive battery segment at 40%/4% (including aftermarket demand).

The global automotive battery market is dominated by some key vendors i.e. Samsung SD, Exide, Panasonic, and China Aviation Lithium. The market has high scope of profits ahead with the revolution

of electronic vehicles across the world. The automotive battery market value is estimated to reach USD 34,967.2 million by 2023, registering a CAGR of around 6.5%, during the forecasted period of 2018 - 2023.



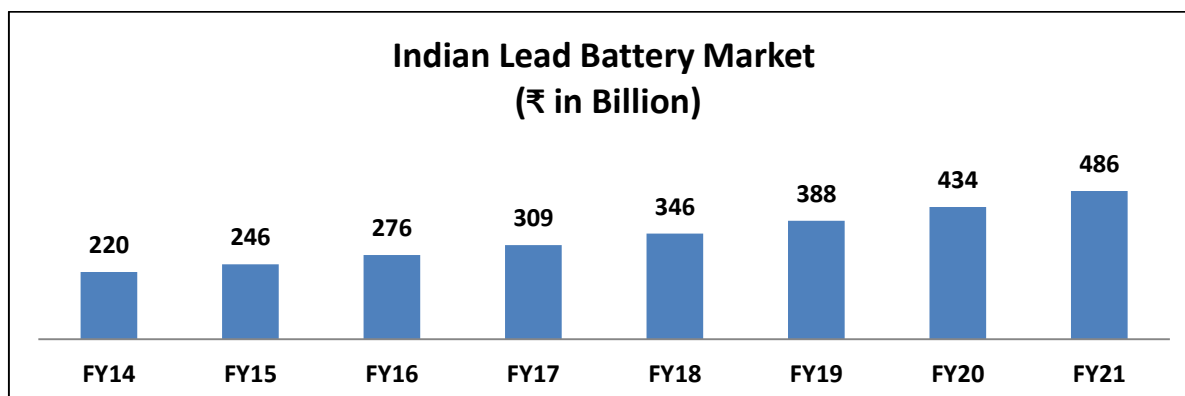
(Source: - Industry, CARE Research)

The Asia-Pacific region is expected to be the fastest-growing region in the automotive battery market and is poised to be led by countries, such as China, India, Japan, and Indonesia, which are forecasted to experience strong growth in the sales of passenger and commercial vehicles. Electric cars, which currently have very low penetration in the Asia-Pacific region, are expected to experience a boom during the coming 5 years, boosting the battery market in the region. In Indian government is also aiming to bring the electronic vehicle on the roads in 2020 and is also providing a helping hand like giving subsidies and aiding R&D to the automotive and electronic battery manufactures to kick-start the work. North America, led by the United States, Mexico and Canada, should see strong growth in the automotive battery market. Africa is predicted to emerge as a good market post-2020, as rising disposable incomes and improving infrastructure is expected to induce more people to own automobiles. South Africa, Nigeria and Ghana are set to emerge as the key markets in the region post-2020.

#### Indian Lead Battery Industry-Current and Future Scenarios

Growth by 2020	12% CAGR
Current Applications	Automotive (45-50%) Inverter, UPS (10-15%) Telecom & Traction (15-20%)
New Applications	Renewable Energy & Electric Vehicles (15-20%)
Exports	3-4%

#### Projected Growth of Battery Market



(Source: - Industry, CARE Research)

As can be seen from Above the Indian lead Battery market is expected to grow from ₹220 billion to ₹486 billion in FY21 at a compounded annual growth rate of 12%.

#### LAB Industry revenue model

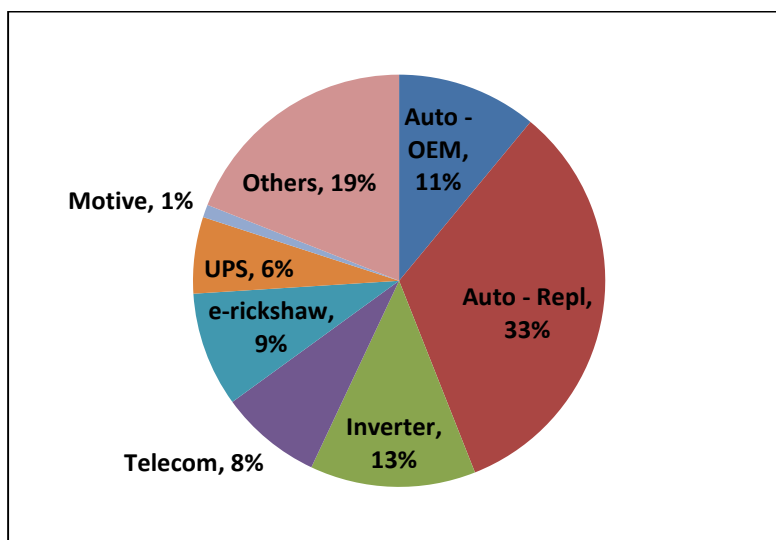
Particulars	Industry			Organized players		
₹ in billion	FY17	FY20E	FY22E	FY17	FY20E	FY22E
Auto – OEM	33.4	46.7	54.8	33	47	55
Auto - Replacement	100.1	135.3	162.2	60	95	130
Inverter	38.5	33.0	29.8	19	21	22
e-rickshaw	26	41.1	51.6	5	12	26

(Source: - Industry, CARE Research)

#### Lead-acid battery evolution has kept pace with changing demand

- Lead-acid batteries have undergone remarkable evolution to keep up with changing car manufacturing technologies.
- Currently, lead-acid batteries serve all the power needs of start-stop vehicles throughout the world and are also becoming common in higher-end hybrid electric vehicles.
- According to the Advanced Lead Acid Battery Consortium (ALABC), the 12V lead-acid battery has been the mainstay of motor vehicles, and this will continue for many years to come.

#### Indian LAB market of ₹309 bn market is equally split between autos & non-autos segment (%)



(Source: - Industry, CARE Research)

As can be seen from above Replacement segment offers secular & profitable growth opportunity due to the major share of auto-replacement battery which is around 33% of the total market of LAB.

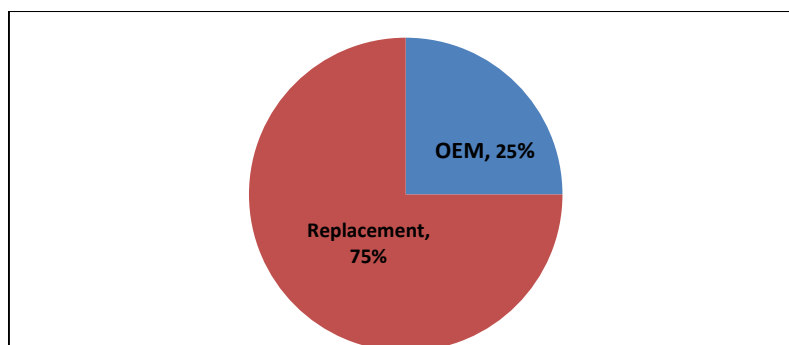
The automotive replacement battery segment offers a secular and profitable growth opportunity, driven by:-

- Increasing penetration of automobiles driving expansion in automobile population
- GST-led consolidation.

The auto replacement segment enjoys the highest profitability due to:-

- B2C nature of the business,
- High pricing power with diffused customer base, and
- Low competitive intensity.

#### Automotive battery segment mix



(Source: - Industry, CARE Research)

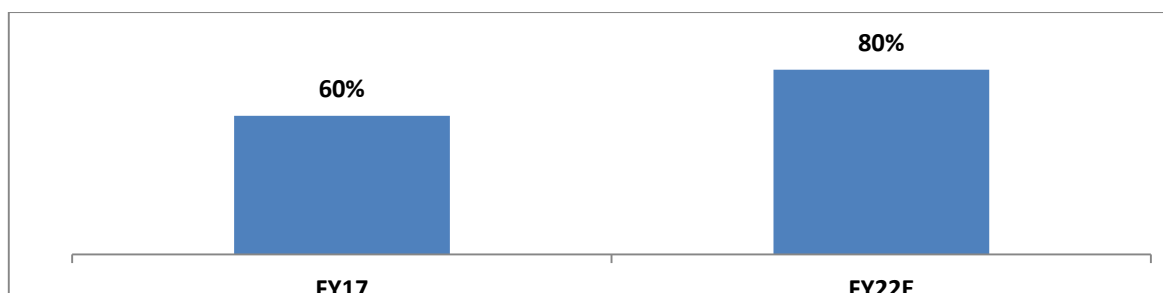
**Shift from unorganized to drive organized player growth to 16.7% CAGR.**

(₹ in billion)	FY17E	FY22E	CAGR(FY17-22E)
Organized	60	130	16.7%
Unorganized	40	32.2	-4.1%
Total Auto Replacement Market	100	162.2	10.1%
Share (%)			
Organized	60	80	
Unorganized	40	20	

(Source: - Industry, CARE Research)

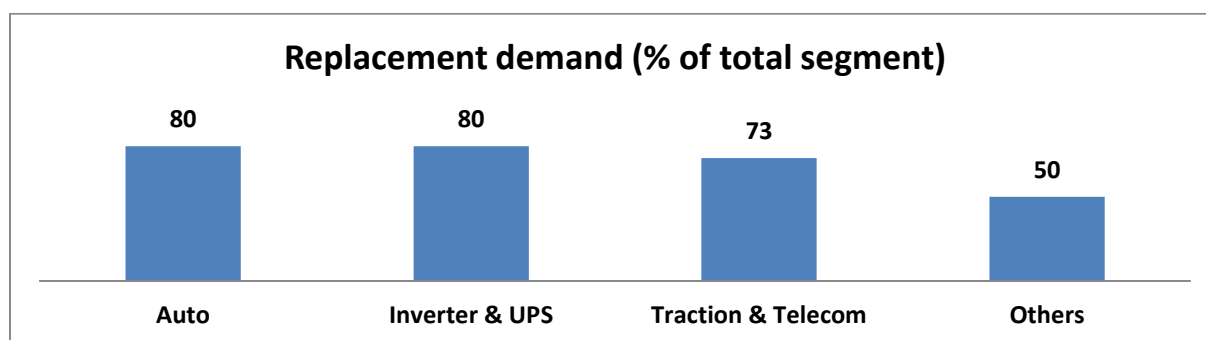
According to research in the battery replacement market we expect the share of organized players to increase from 60% to 80% by FY22. Organized players to gain share in the addressable replacement market. In the battery replacement market, we expect the share of unorganized players to reduce from 40% to 20% by FY22.

Organized players to gain share in the addressable replacement market \*



(Source: - Industry, CARE Research)

\* Total LAB - Auto OEM – Telecom



(Source: - Industry, CARE Research)

As can be seen from the above table the total replacement demand for Automotive and Inverter is as high as 80% as compared to Traction & Telecom from respective total Segment demand.

- New vehicle volume grew at a CAGR of 9.7% over FY08-17. This indicates well for demand in the replacement market, which is driven by factors such as number of vehicles in use, average battery life and average age of vehicles.
- Replacement market in India has been growing continuously with average battery life being around 3-4 years. This segment is dependent on the sales number of automotive OEM sales and with growing demand the sales are expected to increase. Considering strong structural growth story of Indian automotive industry, we believe LAB players can grab this opportunity to grow at high growth rates.
- With life of automotive vehicles at approximately 15 years, on an average it has 4 replacement cycles during the lifespan of vehicle.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## E-RICKSHAW

In 2013, Government of India launched a National Electric Mobility Mission Plan 2020 which aims to bring 6 million electric vehicles on Indian roads by 2020. The program requires an outlay of \$ 2,577.79 million for the promotion of electric vehicles in India that will help to grow the market for Electric Vehicles and in fact the demand for E-rickshaw Battery.

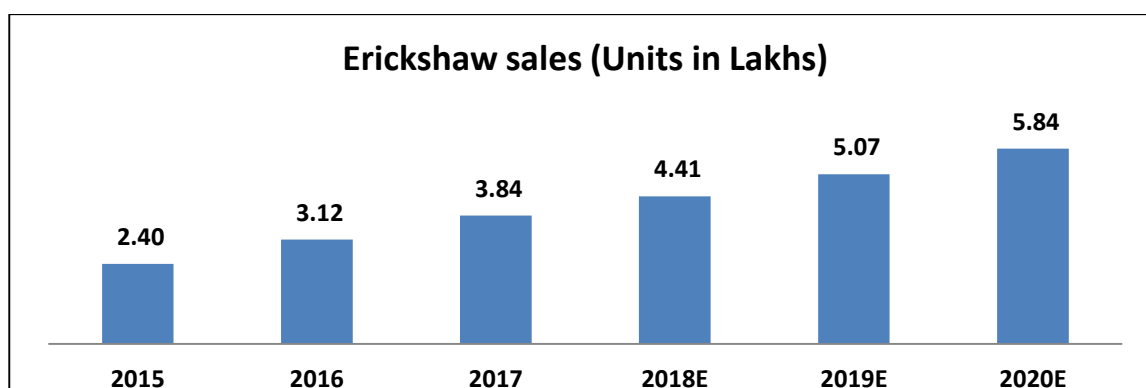
E-rickshaw is an exciting opportunity for LAB players, as one e-rickshaw has a pack of four big lead-acid batteries, with a replacement cycle of 6-9 months. The e-rickshaw battery segment is estimated to grow at 16% CAGR over FY17-20 to ₹ 41bn. With life of e-rickshaw at 2 years, it has 3 replacement cycles. Each e-rickshaw battery pack (consisting of 4 LAB batteries) cost ₹20-28k. Unlike normal SLI application, LAB is used for traction in e-rickshaws with driving range of upto 80Kms per charge. This results in very high drain of 80%, resulting in short life of 6-9 months. This segment is currently dominated by regional and unorganized players.

### Benefits of E-rickshaw

- No permit requirement (unlike auto rickshaw),
- subsidies from the state government due to zero tail-pipe emissions
- Low operating cost.

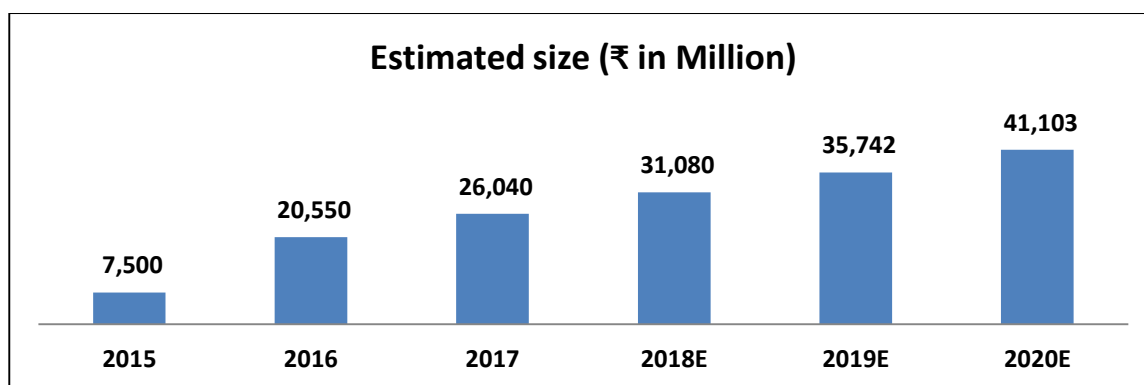
### E-rickshaw Trends and Growth

E-rickshaw battery market size of ₹31b in FY18E, which should grow to ₹41b by FY20E (16% CAGR).



(Source: - Industry, CARE Research)

E-rickshaw sales expected to grow at a CAGR of 15-20% over FY17-20.



(Source: - Industry, CARE Research)

E-rickshaw battery market to grow at 16.4% CAGR over FY17-20.

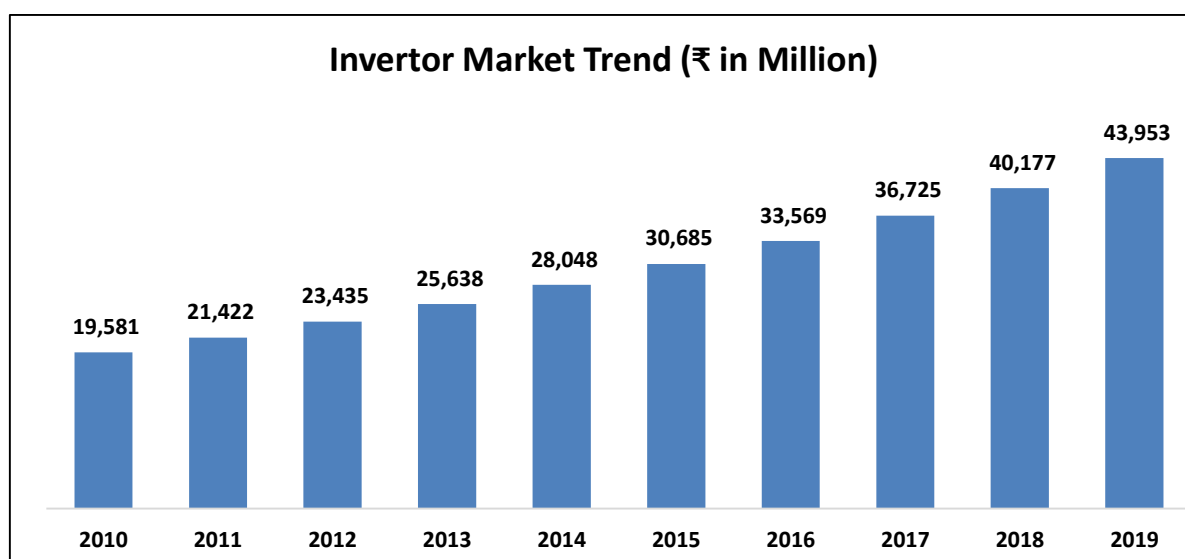
Battery opportunity	2015	2016	2017	2018E	2019E	2020E	CAGR (FY17-20E)
E-rickshaw sales (units)	2,40,000	3,12,000	3,84,000	4,41,600	5,07,840	5,84,016	15.0%
OE (₹ m)	4,800	7,680	7,680	8,832	10,157	11,680	15.0%
Replacement (₹ m)	2,700	18,360	18,360	22,248	25,585	29,423	17.0%
Estimated size (₹ m)	7,500	26,040	26,040	31,080	35,742	41,103	16.4%

(Source: - Industry, CARE Research)

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

#### INVERTERS SEGMENT:

The growth in India inverters market has been attributed to the demand and supply gap between electric energy in India and the increasing purchasing power of Indian consumers. The decreasing tolerance for long power cuts among consumers in rural and semi-urban areas is also a major factor behind the growth of this market. The revenue generated by the India inverter industry in FY2010 was ₹ 19,581.1 million which increased to ₹ 40,177 million during FY2018, witnessing a CAGR of 9.4% for the period FY2010-FY2018.



(Source: - Industry Research, CARE Research)



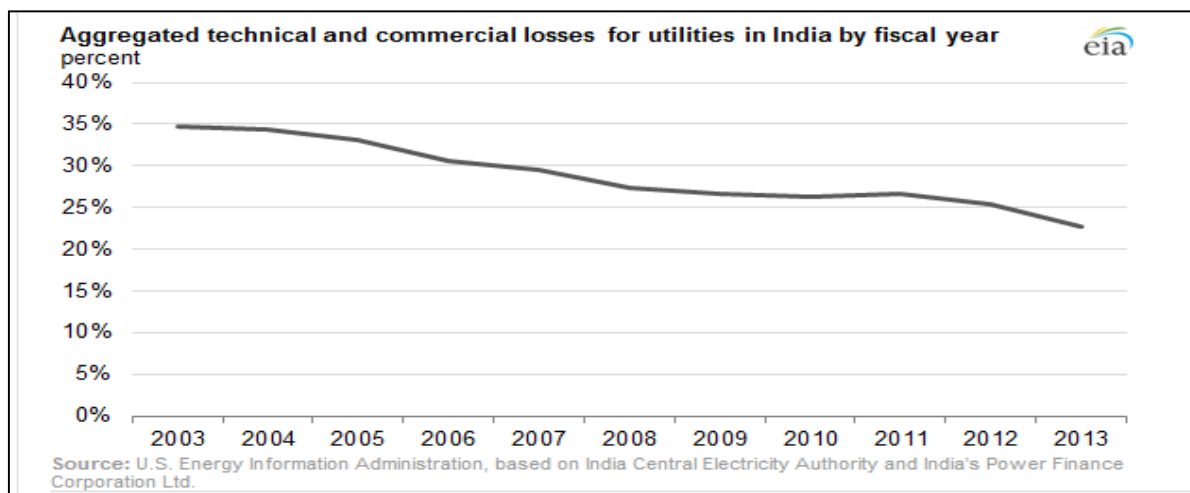
### **Demand and Supply Gap for electricity:**

India, the fourth largest producer of electricity in the world, has witnessed a transformational change in the energy sector with supportive policy interventions as well as sector reforms. Despite the phenomenal growth in generation capacity over the past years, India is struggling with a power deficit situation. Over 15.5 million below poverty line (BPL) households and 9,500 villages are still devoid of electricity. The eastern states of India, such as Odisha, Jharkhand and West Bengal, are rich in coal reserves but are reeling under a power deficiency. Uninterrupted supply of power is one of the prerequisites for any developing economy like India.

Year	Energy				Peak			
	Requirement	Availability	Surplus(+)/ Deficits (-)		Peak Demand	Peak Met	Surplus(+)/ Deficits (-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2009-10	8,30,594	7,46,644	-83,950	-10.1	1,19,166	1,04,009	-15,157	-12.7
2010-11	8,61,591	7,88,355	-73,236	-8.5	1,22,287	1,10,256	-12,031	-9.8
2011-12	9,37,199	8,57,886	-79,313	-8.5	1,30,006	1,16,191	-13,815	-10.6
2012-13	9,95,557	9,08,652	-86,905	-8.7	1,35,453	1,23,294	-12,159	-9.0
2013-14	10,02,257	9,59,829	-42,428	-4.2	1,35,918	1,29,815	-6,103	-4.5
2014-15	10,68,923	10,30,785	-38,138	-3.6	1,48,166	1,41,160	-7,006	-4.7
2015-16	11,14,408	10,90,850	-23,558	-2.1	1,53,366	1,48,463	-4,903	-3.2
2016-17	11,42,929	11,35,334	-7,595	-0.7	1,59,542	1,56,934	-2,608	-1.6
2017-18	12,12,134	12,03,567	-8,567	-0.7	1,64,066	1,60,752	-3,314	-2.0
2018-19*	2,16,292	2,14,971	-1,321	-0.6	1,73,226	1,70,765	-2,461	-1.4

\*Up to May 2018 (Provisional), Source: CEA

As shown in above table India has approximate 1% of deficit of power in normal scenario while at peak demand it goes up to 2% of deficit of power. Apart from energy deficit an estimated 27% of energy generated is lost in transmission or stolen, while peak supply falls short of demand by an average of 9%. The nation suffers from frequent power outages that last as long as 10 hours. Further, about 25% of the population, about 300 million people, have no electricity at all Efforts are underway to reduce transmission and distribution losses and increase production.



The UPS and Inverter market in India has experienced a growth in recent years on account of mounting demand fuelled by the demand and supply gap in the electric power supply. The Indian UPS market is largely dependent on a low range (up to 25 KVA), accounting for more than half of the total UPS market. However, this inclination is set to change due to rising applications of UPS and inverter systems in the industrial sector.

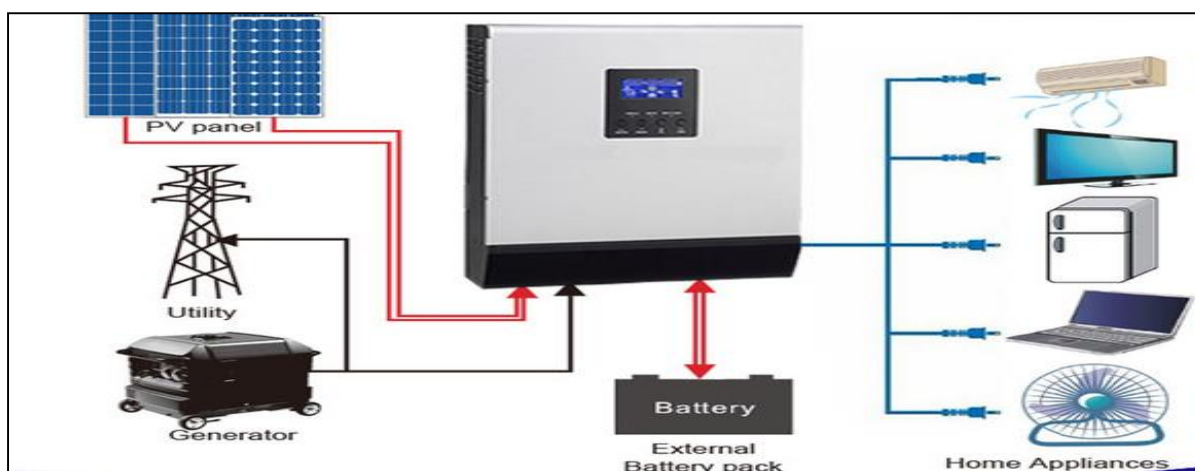
The factors that are influencing this market growth include an understanding of the need for backup power and the cost of not protecting power sources when utility outages do occur, the state of the national power grid, the increasing likelihood of power cuts if the situation is not improved, and the convergence of voice and data networks and an increased reliance on digital networks, phone systems and business equipment. Amidst increasing level of pollution in the Delhi- NCR, the authorities have banned the use of diesel generator; the city is forced to explore the alternative sources of power. Few of us know that the inverters today are equipped with state-of-the-art technology and are capable of handling high capacity. They are thus capable of filling the void and are the answer to city's growing concerns about environmental pollution. The inverters and UPS are a much safer, cleaner and thus a more viable option. On the other hand, a generator is pricey, both in the terms of operation and maintenance. Even the fuel used in a generator is costly and one needs to take extra caution to store it. Handling the generator is not easy and if a person does not use it properly, it can be dangerous. A running generator releases harmful fumes (which are basically NOX gas) which are injurious to human health as well as for the environment.

Although most of the UPS and power backup systems are used in the information technology (IT) and telecommunication industries to protect data, many industrial processes are now microprocessor and PC-based and are very susceptible and sensitive to power disturbances. The demand in the Indian inverter/UPS market has increased due to constant power outages and a strong push from the government to accelerate the National Solar Mission.

#### **Application of the Inverter / Batteries in the SOHO:**

Most innovations in inverters for SOHO and home are related to increasing efficiency and stability. This helps in saving power as well as the environment. Innovations are also taking place to enable inverters to charge fast, thus enhancing the longevity of the battery. Steps are also being taken to go for higher MTBF (mean time between failures) batteries, which save man-hours. SOHO, high end and sine wave inverters in the 2.2 kVA to 10 kVA range, which are suitable for big and small offices. "These run air conditioners, LCD TVs, photocopying machines, etc."

Generator compatible inverters are the latest products in the power backup industry as they not only save power and reduce pollution but also cut down on diesel costs. These inverters also provide relief during the switch over time from the main power supply to the generators. These inverter/generator combinations facilitate power savings of up to 50%.



After the implementation of the GST the growth in the organised player in the Inverter battery market will increase to more than 50%. Telecom, UPS and Inverters are the largest sub-segments in the industrial battery segment, accounting for 45% of the global and 60% of India's demand for industrial

batteries. In FY17, demand from the industrial segment remained healthy, as increase in demand from UPS, Inverter, solar power and motive power offset the moderation in demand from telecom.

As per analysis, the size of the battery market for UPS (including home inverter) is ₹60b-75b, with estimated average battery life of 3-4 years, providing significant replacement potential. Hence the replacement demands at 80% of Inverter and UPS market.

There is a gradual rise in awareness among the population of India pertaining to the benefits of good quality inverters. Moreover, with the expansion of purchasing power, the demand for Inverters in India is expected to surge in the future. India Inverters market is projected to grow at an appreciable CAGR of 9.4% to reach ₹ 43,953 million by FY2019.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

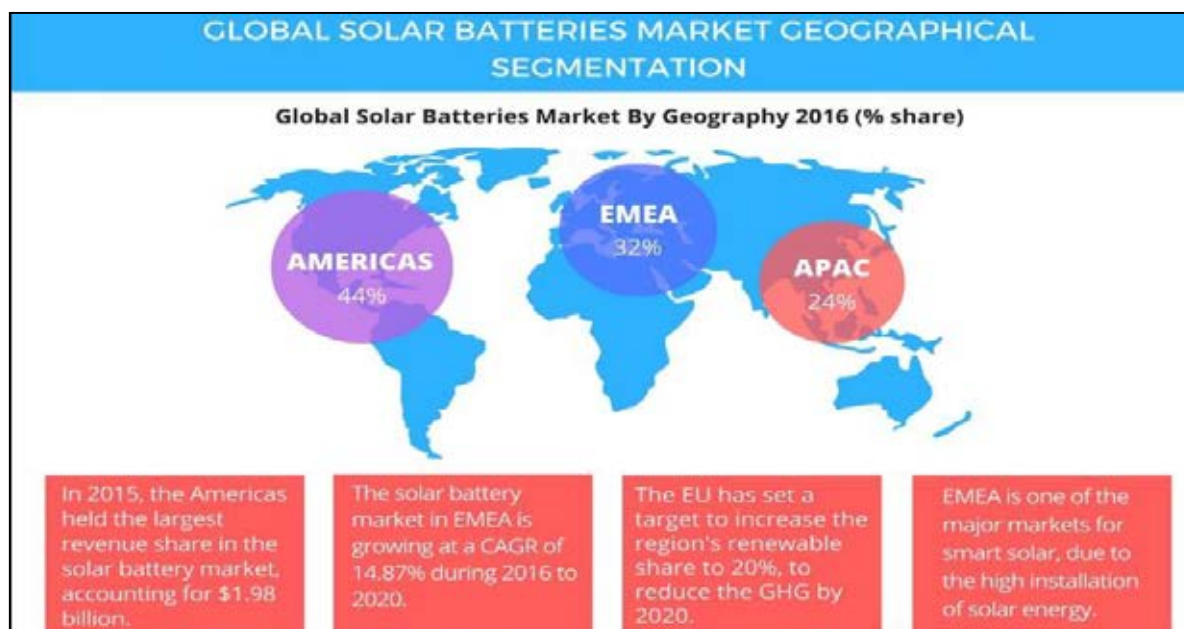
## **SOLAR (RENEWABLE ENERGY SEGMENT):**

### **Global battery market: An overview**

Batteries generally refer to the technologies that are used for the purpose of energy storage, which can be utilized later during power shortages, blackouts or during peak demand. These technologies mainly include pumped-hydro storage systems, advanced batteries, flywheels, and other evolving technologies.

Solar batteries with solar PV systems can be connected to the grid or can be off-grid. Off-grid energy storage systems that are meant for standalone power systems are used to complement diesel generators or intermittent renewables sources by providing backup during low voltage or power outages. Energy storage systems using batteries are useful when the amount of electricity generated is greater than the demand.

The solar power industry has seen dramatic growth in recent years, and with the increase in the solar industry and its installed capacity, the price of solar panels and solar power systems has declined drastically over a period of time.

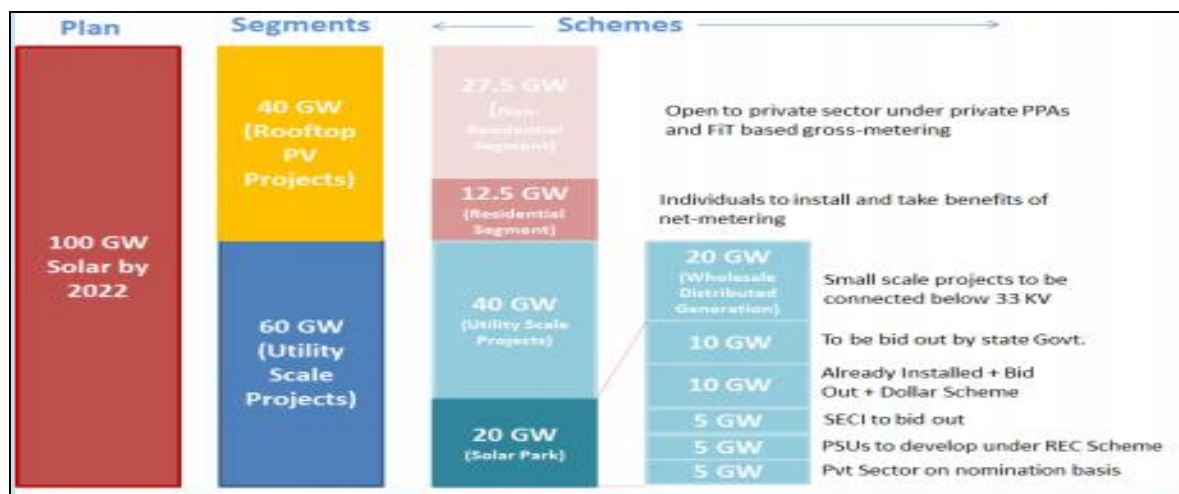


### **Growth of the global solar batteries market**

The growth of the global solar batteries market is driven by several factors. One of the main drivers in this market is the increasing solar energy consumption. Due to growing power use, governments across the world are shifting their focus to solar technology to increase their overall electricity production. This in turn is expected to propel the growth of the market during the forecast period. Another major driver for this market is the increase in government support for solar energy projects.

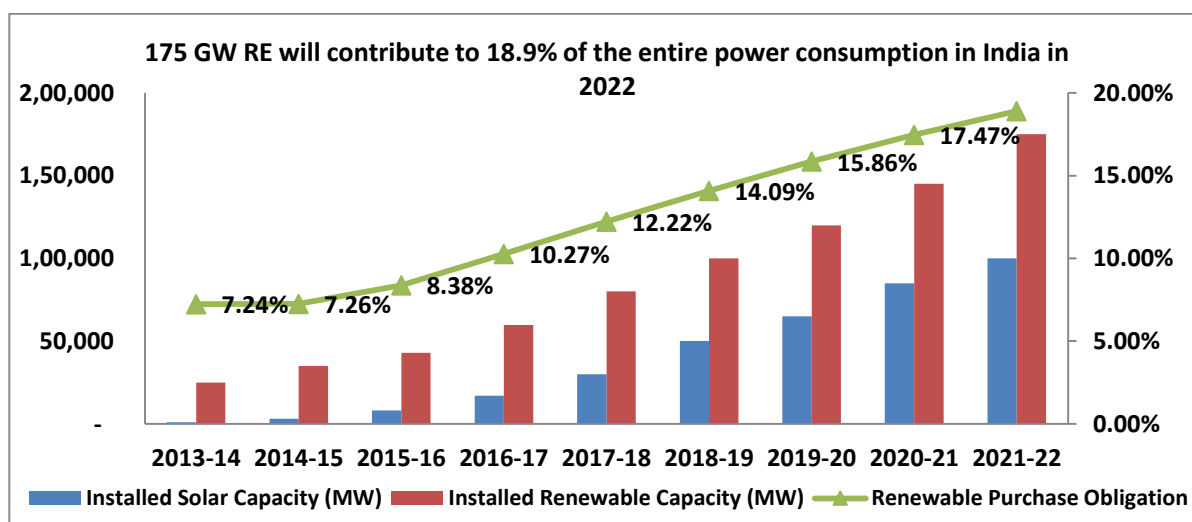
Despite the presence of several challenges, the global solar batteries market is expected to witness rapid growth due to some emerging trends that could exert a positive impact on the market. One such trend is the reduction in solar PV cost. Thus, the combined effect of drivers and challenges is expected to propel the growth of the global solar batteries market during the forecast period.

### India Solar Plan



India has set an ambitious target of reaching 100 GW of solar capacity by 2022, up from around 5.2 GW by January 2016. According to the 18th Electricity Power Survey (EPS) from Indian government, the country's peak demand will exceed 285 GW by the end of 2022. This will correspond to about 8% of power demand being generated by solar systems across the country in 2022.

The solar power sector is a fast-developing industry in India. India is committed to its renewable energy target of having 175 GW capacities by 2022 to provide equitable sustainable development, a senior official has said. India has been pursuing its goals of setting up renewable energy capacities and changing its energy mix, and will continue to do so to provide equitable sustainable development, C K Mishra, Secretary, Ministry of Environment, Forests and Climate Change said in a statement. The Government of India has set a target of 175 GW renewable power installed capacity by the end of 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power.



India attains global 4th and 6th position in global Wind and Solar Power installed capacity By November 2017, a total of 62 GW Renewable Power installed, of which 27 GW installed since May 2014 and 11.79 GW since January 2017. Ambitious Bidding Trajectory for 100 GW capacity of Solar Energy and 60 GW capacity of Wind over the next 3 years laid down.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## **DEMAND DRIVERS OF THE BATTERY INDUSTRY**

### **Key Demand drivers for Automotive Battery in India**

- Growing demand from OEMs in line with their capacity expansion and new product launches
- Rising personal disposable income will increase the sales of two wheelers in India owing to high preference of such vehicles as a mode of transportation
- Rising environmental concerns, coupled with volatile oil prices may persuade consumers to use electric powered vehicles.
- Growing replacement demand, which is not only less cyclical, but also enjoys higher profitability
- Lead acid batteries are relatively cheaper as compared to other batteries and can be manufactured with relatively lower technology equipment, which in turn is projected to keep their demand high through 2025

### **Factors driving demand for e-rickshaws**

- Affordable mode of last mile connectivity
- Easy registration where permits are still not mandatory
- Government pushes as zero pollution vehicles
- Financing from local NBFC's

### **Key growth drivers of inverter segment in India**

- Insufficient capacity and inefficiency of grid for distribution of power are factors that are driving UPS and inverter battery demand
- Growth in datacenters driven by increasing use of cloud applications
- Increasing number of servers
- UPS architectural change to faster back-up - premium product
- Smart city projects related government initiatives

### **Key growth drivers for Solar Battery in India**

One of the main reasons the solar industry is growing in India is the fact that the country itself is developing. Good power supply is one of the key enablers of development. India's power requirement is expected to grow by more than 5% over the next decade, while supply is projected to fall short by 3.6%. Since traditional energy sources are not enough to match the pace of growth in demand, there is a need to look for alternatives – and solar energy fits the bill due to this reason the demand for Solar Battery will increase.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## **CHALLENGES FACED BY THE INDUSTRY**

Automobile manufacturers will face challenges surfacing from supply shortages of natural resources for battery production as they move to electrify their fleet in line with government mandate to reduce carbon dioxide emissions.

Taking these issues into account, the Government of India, in the latest automotive policy has focused on overall pollution reduction through multiple technologies and regulations by implementing stiff targets, and by not demanding 100% switch to EV by 2030.



“The challenging natural resource shortage is further exacerbated by a lack of viable and cost-effective reuse and recycling options for electric car batteries. “By 2025, the economics of recycling is likely to improve as used batteries become more commonplace and second-hand batteries take root.”

### **Batteries Can Be Heavy**

A lead-acid battery is made up of several lead and lead oxide electrode plates immersed in an acidic electrolyte. An automotive battery can weigh between 30 and 60 pounds. Lifting a lead-acid battery improperly can cause injury.

### **Electrolyte Can Evaporate**

Conventional lead-acid batteries contain at least one battery vent per cell. As mentioned earlier, electrolyte may evaporate through this vent while the battery is being recharged. If the electrolyte level in any of the battery cells falls below the minimum required level, the battery may cease to function correctly.

Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## **GOVERNMENT INITIATIVES IN BATTERY INDUSTRY**

### **Demand Push at the state level**

Demand push from the state government could play a crucial role in rapid adoption of EV/hybrid vehicles. Many state governments such as Telangana, Maharashtra and Karnataka are moving towards the adoption of electric vehicles in their policy. Several incentives could be considered to create a demand for EVs such as: Preferred/Free Parking at Municipalities/Private Parking/Airports, etc., Exemption or reduction of toll taxes and road taxes for commercial electric/hybrid vehicles. The vehicles should be certified by the government and should have a green number plate. Also, EV trucks should be exempted from the interstate time restrictions.

### **Global Collaborative Campaign in India**

This global collaborative campaign in India is likely to bring together all the major stakeholders in electric and hybrid vehicles related industry which could be automobile, technology, energy, etc. and consumers to promote the use of both electric and hybrid vehicles. It could help the vehicle owners/buyers to understand the benefits of hybrid vehicles and their contribution to healthy environment and health. One of the successful examples of mass collaborative campaign is the 'Go Ultra Low' campaign in the U.K.

### **Policy initiatives**

There have been several policy initiatives to curb air pollution such as increased focus on Preventive and Promotive healthcare in the National Health Policy 2017 by the Ministry of Health and Family Welfare and NITI Aayog's 'Three Year Action Agenda to be implemented till 2019-20' which emphasis the need to migrate from ICEs to eco-friendly measures. Ratification of the Paris Agreement by India in 2016 is another important step towards mitigation of ICEs that emit greenhouse gases. One of the major focus areas of the government has been movement towards electric vehicles. The electric vehicle market in India is at a nascent stage; hence, policy support is necessary. With the launch of National Electric Mobility Mission Plan 2020 (NEMMP 2020) 2013 under the Department of Heavy Industries, India set out ambitious targets for its automobile industry. Targeting six to seven million electric/hybrid vehicles in the country by 2020, the policy outlined thorough measures including demand and supply side incentives, promotion of R&D in battery technology, power electronics, motors, systems integration, battery management system and testing infrastructure, promotion of charging infrastructure and encouragement to retro-fitment of on-road vehicles with a hybrid kit.

### **Faster Adoption and Manufacturing of Electric Vehicles (FAME)**

The FAME scheme was introduced in 2015 under NEMMP with an objective to 'support hybrid/electric vehicles market development and manufacturing eco-system'. The focus areas included technology development, demand creation, pilot projects and charging infrastructure. The first phase of the scheme

was implemented during 2015-17 and covered both hybrid and electric technologies. In the second phase of the scheme, however, mild hybrids were excluded from the scheme. Over 1.7 lakh vehicles have received subsidy worth ₹203 crore under FAME so far. At present, the subsidy for two-wheelers range from ₹7,500 to 22,000; for three-wheelers from ₹25,000 to 61,000; and for four wheelers from ₹13,000 to 610,000.

### **NITI Aayog's Three Phased approach for adoption of EV/ HEV**

In June 2017, the implementation of NEMMP and FAME was allocated to NITI Aayog.<sup>4</sup> NITI Aayog has since spearheaded the government's goal to move towards all electric cars sale by 2030. The government's premier think tank has developed a three-phased approach focusing on system integration, shared infrastructure development and scaled manufacturing. It has advocated for a fee - rebate policy in which inefficient vehicles would incur a surcharge and efficient ones would get rebates. It has also released a proposal for 'quick pilot' for development of vehicle infrastructure in Delhi.<sup>5</sup> Overall, NITI Aayog has had multiple consultations and is expected to come up with a comprehensive policy that would help create and foster the EV ecosystem by aligning the demand and supply side interests including in the areas of lithium-ion battery and charging infrastructure.

### **Battery swapping**

Significant consideration has been given by the government on battery swapping as a mechanism to mitigate the issues of (a) cost of ownership and (b) range anxiety faced with electric vehicles.

A Battery Swapping Infrastructure essentially supports swapping of discharged batteries in a vehicle with fully charged batteries from a shelf. A key advantage of battery swapping is the reduced time for energy replenishment in EVs as battery swap can be possible within 5-15 minutes compared to up to eight hours required for charging a battery. This strategy of providing widespread battery swapping model is also expected to contribute to reducing the upfront cost of EVs as vehicles can be sold with a battery available on lease.

- Battery packs have been a major cost driver for EVs since their inception. Technological developments, widening application base, and economies of scale have pushed down their prices substantially.
- Intense price competition is further fuelling technological advancement efforts in form of development of new formulations and improved processes that are further expected to decrease the lithium-ion battery prices to USD109/KWh and USD73/ KWh by 2025 and 2030 respectively.
- Charging technology has improved by leaps and bounds since the first electric car was launched in India at the cusp of the new millennium. As technology evolves further, charging time is expected to become less than the time required to refill a petrol tank in a current combustion engine vehicle.

**All the policy and initiatives mentioned above will have Positive benefit and negative impact on the Battery industry in India.**

### **Current policy framework/regulations pertaining to Electric Vehicles industry in the passenger vehicles segment**

Automotive industry globally is at the cusp of a major transformation. Growing concerns for environment and energy security clubbed with rapid advancements in technologies for powertrain electrification, increasing digitalization, evolution of future technologies and innovative newer business models and ever-increasing consumer expectations are transforming the automotive business. One of the key facets of such a change is the rapid development in the field of electric mobility which might transform the automotive industry like never before.

In 2013, Government of India launched a National Electric Mobility Mission Plan 2020. Under the mission plan, the FAME India Scheme (a scheme for faster adoption and manufacturing of hybrid & electric vehicles), was launched in FY-2015 for 2 years.

### **The Automotive Mission Plan 2016-26**

The Automotive Mission Plan 2016-26 (AMP 2026) is the collective vision of Government of India (Government) and the Indian Automotive Industry on where the Vehicles, Auto components, and Tractor industries should reach over the next ten years in terms of size, contribution to India's development, global footprint, technological maturity, competitiveness, and institutional structure and capabilities.

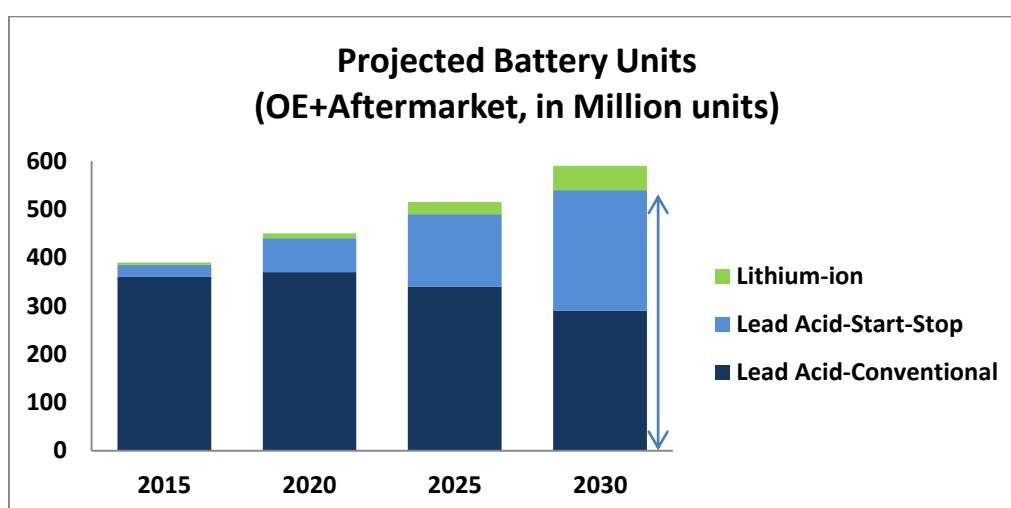
Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## OUTLOOK OF BATTERY SEGMENT

CARE Advisory remains positive on the long-term growth prospects of the auto industry and believes the duopolistic battery segment is a good proxy on the same. CARE Advisory sees several new/emerging growth avenues in e-rickshaw, motive power and solar applications. For the overall LAB industry, CARE Advisory estimate revenue CAGR of 9% over FY17-22, driven by 10% growth in the auto and UPS segments, 15% growth in e-rickshaw batteries, and strong traction in nascent motive power batteries. CARE Advisory expect organized players to gain share at the expense of unorganized players, resulting in 13-14% revenue CAGR for organized players. This would imply organized players' share increasing to 82% of the total LAB market by FY22 (v/s 67% in FY17).

### Global Outlook – Future of Lead Acid Battery

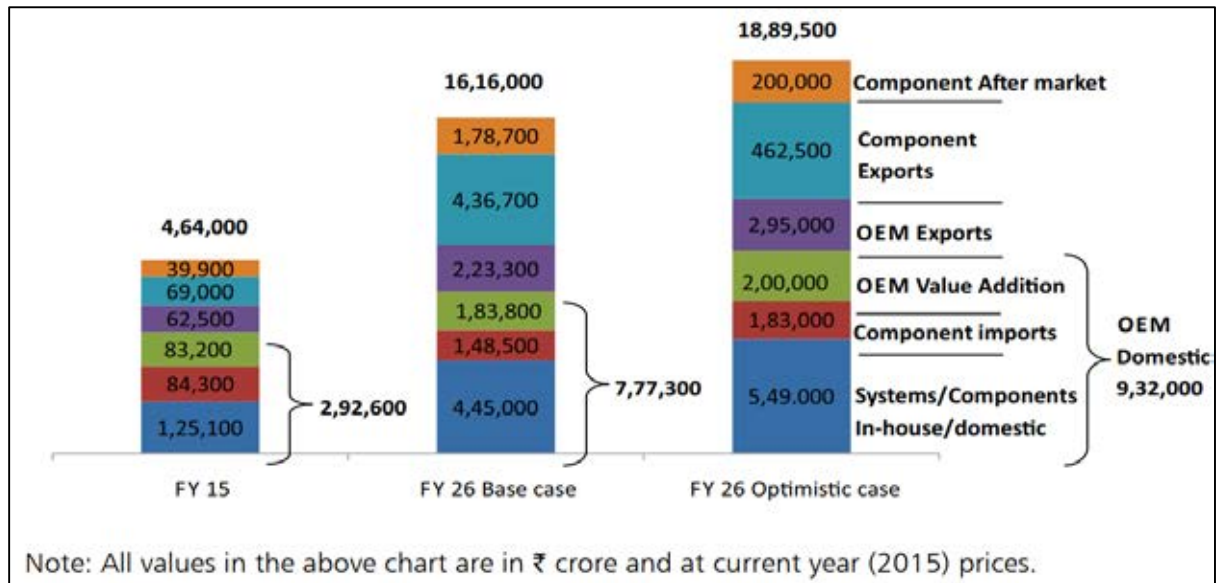
- Lead acid batteries remain the dominant technology for decades to come
- Global lead battery market, \$60 billion by 2020
- Next 10 years, Asia/Pacific Demand, 4.6% CAGR



(Source-IESA)

AMP 2026 envisages that the Indian Automotive Industry will grow 3.5-4 times its value from its current output of around ₹ 4,64,000 Crores to about Rs 16,16,000 – 18,88,500 Cores by 2026, based on a base of case with average GDP growth rate of 5.8% and an optimistic case with an average GDP of 7.5% during the period. The following chart provides current and projected composition of the industry over the next decade.





Source: Research Report on Automotive, Solar, E-rickshaw and Inverter Battery – July 2018 - CARE Advisory - A Division of CARE Advisory Research and Training Limited - [www.careratings.com](http://www.careratings.com))

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 21 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Information*” beginning on pages 22 and 239, respectively.

### OVERVIEW

Our Company was originally incorporated as “Electra Accumulators Private Limited” at Vapi, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by members in Extraordinary General Meeting held on February 24, 2018 consequent to which the name of our Company was changed to “Electra Accumulators Limited” vide a Fresh Certification of Incorporation dated March 20, 2018, issued by Assistant Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification number of our company is U29100GJ2009PLC057053.

Incorporated in the year 2009, we have established ourselves as a brand, manufacturing wide range of Automotive, Inverter, E-Vehicle and solar batteries. We are mainly engaged in manufacturing of lead acid batteries which are used in Automotive, Inverter, E-vehicle and Solar industries under the brand name of “Electra” and “Geo Power”.

Our Company is an ISO 9001:2015 and ISO 14001:2015 certified. Certain of our products are certified by IEC 60896-11 norms & IEC 61427-1:2013 norms. Our E-Vehicle batteries are tested and approved by International Centre for Automotive Technology (ICAT) and our Solar Batteries are tested and approved by Central Power Research Institute (CPRI), i.e. MNRE approved Laboratory.

Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi are the guiding force behind the strategic decision backed by industry experienced professionals to run the operations. Further, our Promoter and Chairman, Mr. Chetan Sanghvi is President of Indian Battery and Accessories Industries Welfare Association. Bhaumik Sanghvi, joined the board of our Company in the year 2013 and since then he is directly involved in developing, planning, scheduling, and supervising the operations of the Company.

Being engaged in batteries industry which is largely dominated by unorganized sector competing on pricing, supplying qualitative products is of utmost importance in our industry and we strive to ensure that we adhere to quality standards. We believe in manufacturing and delivering quality products and our manufacturing process is under constant supervision by Engineers. We are dedicated towards supply of quality products by controlling the procurement of standard raw material, monitoring the

process parameters, maintaining appropriate measures to manage hazardous materials and to comply with applicable statutory and regulatory requirements of our products.

Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process and easy logistics. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is integrated from procurement of raw materials to final testing.

We have in-house testing laboratory to test our raw materials to match the quality standards. Before commencement of the manufacturing process, the raw materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are checked in our in-house testing laboratory to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched.

#### **LOCATIONAL PRESENCE**

**Registered Office:** 19, Mahavir Nagar, N.H. No.:8, Vapi – 396195, Gujarat, India.

**Corporate Office:** Office No. 33-A, Vidhya Villa Compound, Old Nagardas Road, Andheri East, Mumbai – 400 069, Maharashtra, India.

#### **Manufacturing Units**

Sr. No.	Address
1	Plot No. 136/I/1, GIDC, 2nd Phase, Vapi- 396195, Gujarat, India
2	Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat, India
3	Plot no. 165/A/4 & 165/A/5 , Vapi, Valsad, Gujarat, India

#### **Branch Offices**

Sr. No.	Location	Address
1	Haryana	Shop No.6, Anaj Mandi, Nilokheri- 132117, Karnal, Haryana
2	Rajasthan	29, Purohit Ji Ka Bass, Godam, Jaipur- 302006, Rajasthan
3	Maharashtra	Opp. Apexa Mangal Karyalaya, Near Vithal Mandir, Phursunghi, Pune- 412308, Maharashtra
4	New Delhi	513 & 514 No 513 & 514plotno 8 SG Shopping Mall Sec 9 Rohini New Delhi 110085
5	Madhya Pradesh	29, Kibe Compound, Shop No.13, Meer Complex, Indore- 452001, Madhya Pradesh
6	Uttar Pradesh	E-125, Transport Nagar, Phase-1, Kanpur Road, Lucknow- 220612, Uttar Pradesh
7	Uttar Pradesh	Khasra No. 1080, Ground Floor, Vikash Nagar, Ghaziabad- 201001, Uttar Pradesh
8	Patna	Back side of Krishna Niketan School, AT-Jakariapur, PO-Pahadi, PS - Agamkua, Dist. -Patna (Bihar),Pin -800007
9	Jammu & Kashmir	House no. 792,Lane no. 6,Talab Tillo Jammu

#### **FINANCIAL SNAPSHOT**

*Details of Revenue, EBITDA and PAT from FY 2015-16 to FY 2017-18 is as under:*

*(Amount in Rs. Lakhs)*

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Revenue from Operation	7,378.69	5,188.96	5,167.76
EBITDA	1,118.01	424.87	389.82
PAT	500.07	63.52	43.97

*Product wise revenue for our company is as under:*

*(Amount in Rs. Lakhs)*

<b>Battery Type</b>	<b>FY 2017-18</b>	<b>FY 2016-17</b>	<b>FY 2015-16</b>
Battery (All types of batteries)	6,597.38	4,688.84	4,714.25
Others (Solar & Accessories)	781.31	490.22	453.51
<b>Revenue from Operation (excluding Other Operating Income)</b>	<b>7,378.69</b>	<b>5,179.07</b>	<b>5,167.76</b>

*Geographical wise revenue for our company is as under:*

*(Amount in Rs. Lakhs)*

<b>Region</b>	<b>FY 2017-18</b>	<b>%</b>	<b>FY 2016-17</b>	<b>%</b>	<b>FY 2015-16</b>	<b>%</b>
<b><u>DOMESTIC</u></b>						
Gujarat	1,080.75	14.65%	372.12	7.19%	365.27	7.07%
Delhi	360.72	4.89%	76.35	1.47%	1.91	0.04%
Haryana	573.94	7.78%	388.47	7.50%	229.34	4.44%
Rajasthan	479.57	6.50%	207.43	4.01%	137.71	2.66%
Madhya Pradesh [MP]	311.00	4.21%	73.73	1.42%	12.29	0.24%
Maharashtra	1,385.87	18.78%	812.69	15.69%	920.47	17.81%
Punjab	155.01	2.10%	192.70	3.72%	1.77	0.03%
Uttar Pradesh [UP]	2,663.44	36.10%	2,314.90	44.70%	2,161.18	41.82%
Andhra Pradesh	1.18	0.02%	4.51	0.09%	17.55	0.34%
Bihar	81.09	1.10%	12.38	0.24%	23.78	0.46%
Kerala	123.39	1.67%	497.96	9.61%	960.30	18.58%
Uttarakhand	3.46	0.05%	-	0.00%	86.47	1.67%
Goa	17.03	0.23%	16.94	0.33%	-	0.00%
Jammu & Kashmir	120.39	1.63%	61.69	1.19%	-	0.00%
Telangana	21.84	0.30%	147.21	2.84%	249.71	4.83%
<b>Revenue from Operation (excluding Other Operating Income)</b>	<b>7,378.69</b>	<b>100%</b>	<b>5,179.07</b>	<b>100%</b>	<b>5,167.76</b>	<b>100%</b>

## **BUSINESS PROCESS**

Our Company follows the following process in general for smoothly running its business operations:

### **RAW MATERIALS PURCHASE**

For Lead acid Battery, main input materials are Selenium Lead, Grey Oxide, Red lead and Acid. Incoming materials are tested in Lab on sample basis and if the materials specification meets our quality checks, materials are passed for further process and production department are intimated to use the material, else the same are rejected. All the Raw Materials are purchased from domestic suppliers.

### **CASTING & AGING**

In casting process, lead alloy ingots (Lead Blocks) are melted and this melted lead is poured into the patterns of battery grids and casted into grids (Supporting frames) and other small components. These

casted grids and components are kept for ageing so that the grids and components cool down and harden.

### **PLATE MANUFACTURING**

After the casting process, Plates are manufactured. Our company manufactures two kinds of plates.

3. Tubular Plates – Tubular plates are used in manufacturing of Inverter Batteries & Solar Batteries.
4. Flat Plates – Flat plates are used in Motor Cycles Batteries, E-Vehicles Batteries and Automotive batteries.

<b><u>Tubular Plates manufacturing process</u></b>	<b><u>Flat plates manufacturing process</u></b>
<ul style="list-style-type: none"> <li>❖ <u>Tubular Bag Filling</u> Spine Casting are filled in different Bags according to the grid size and checked via fitment and visual inspection.</li> <li>❖ <u>Blend Mixing, Oxide Filling &amp; Bottom Bar Fitment</u> Grey Oxide and Red Lead are mixed in the specified proportion. The Blend mixed above is filled into the Tubular Bag. Then they are being covered by the Cap called Bottom Bar.</li> <li>❖ <u>Acid Pickling</u> The Plates are then dipped in to the acid tank which is filled with acid with specified gravity and left for specified timing.</li> </ul>	<ul style="list-style-type: none"> <li>❖ <u>Paste Mixing</u> Pastes are made of Grey oxide, Red Lead, Acid, Water and other active materials. Two types of Pastes are made - Positive and Negative. Paste mixing tests are carried out by the paste density and the paste density is checked through the penetration process.</li> <li>❖ <u>Pasting</u> Pasting is a process in which, Grid Castings are pasted by the paste made in paste mixing process. Weights are controlled during the process.</li> <li>❖ <u>Curing</u> All the Plates are hanged on the racks and inserted in the curing chamber. Through Steam humidity is generated inside the room, which helps the plates to cure.</li> </ul>

### **FORMATION**

Formation process is done for charging both the positive and negative plates. Here, the plates are dipped into the acid mixer and the plates are charged. After this the plates are dried.

### **ASSEMBLY & TESTING**

The Plates are then grouped using the group burning rack and arranged for assembly. The plates are enveloped by an envelope called separator to prevent positive plates from touching the negative plates directly to avoid any damage. Assembled container is then connected with each cell by welding process and batteries are sealed by heat sealing process. During this process various tests are also conducted such as Short Circuit Test, Air-Pressure Test etc. then Bar Code no. is punched on the Battery.

### **ACID FILLING & CHARGING**

After assembly and testing, Acids with specified gravity are filled through the hole of the Lids inside the batteries. Filled batteries are sent for charging. After charging time, Acid Levels are maintained by again pouring the acid which has been evaporated during the charging process.

### **WASHING, CLEANED, RANDOM BATTERY TEST**

The battery Lids are fitted with the cap called vent plugs and batteries are washed thoroughly and cleansed. Batteries are tested randomly by back up tests, gravity and voltage inspection to ensure the quality of product and then the product is packed and dispatched.

## PRODUCT RANGE

### Product Range

Our Company is engaged in manufacturing of lead acid batteries and its components. We undertake to execute project of solar installation with batteries which caters to various industries such as automobile, two wheelers, Industrial material handling equipment, Inverter / UPS, nonconventional energy storage like solar, wind mill, tidal wave system require this products. Such batteries store electrical energy in the form of chemical energy when charged and give back electrical energy during discharge. Electric road vehicles, e rickshaws, etc. move on power supplied by batteries.

Details of all the products manufactured by our company is mentioned below-

These batteries supply electrical energy to a motor vehicle. They are also known as SLI battery (starting-lighting-ignition). Main purpose of such batteries is to start the engine with supply of very high current for just few seconds. After engine starts and gets sufficient speed, the alternator/dynamo system of the vehicle generates electric power to charge the battery back and supply power to other accessories.

The SLI battery supplies extra power when the vehicle's electrical requirements exceed the supply from the charging system. It acts as a stabilizer, smoothing out potentially damaging voltage spikes. SLI batteries use six series-connected cells to provide a nominal 12 volt system (in most passenger vehicles and light trucks). Some multi axel heavy trucks, earth-moving equipment use 24 Volt system i.e. 2 batteries of 12 Volt connected in series.

Electric vehicles are powered by a high-voltage electric vehicle batteries, but they generally have an automotive battery as well, so that they can use standard automotive accessories which are designed to run on 12 V.



Model	Rated Capacity Ah @ C20	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
EPN 35L	35	197*129*27±5mm	24	9.5±0.250	Three wheeler, Tempo
EPN38B2 0L/R	35	197*129*27±5mm	24	11±0.250	Zen/1000/esteem/swift [p]/sx4[p]/ritz[p]/Hyundai santro, matiz, Mitsubishi Lancer/ Honda city/ Toyota corolla/ Toyota Innova[p], Honda jazz/MarutiAlto,wagon R/ Zen Estilo/ baleno, ecco, Chevrolet Spark

EPN60L	60	260*173*2 25±5mm	24	16.5±0.400	Taxi
EPN70L/ R	65	260*173*2 25±5mm	24	17.8±0.400	Indica [d]/indigo [d]/Chevrolet Optra/ tavera/ peugot [d]/ Mitsubishi pajero [d]/ bajajGc 1000/ ape/ mahendra pickup/ scorpio/ bolero/ Toyota Qualis/prado/ innova[d]
EPN80L/ R	75	306*173*2 25±5mm	24	21.4±0.400	Sumo/ mobile/ tata 407/ m & m Armada/ marshal/ commander, cabstar/ Voyager/load king
EPN90	90	410*176*2 34±5mm	24	26.5±0.400	Eicher [all Models]/ tractor [all Models]
EPN100	100	410*176*2 34±5mm	24	28±0.400	Escord/ new Holland Tractor
EPN120	120	511*182*2 57±5mm	24	34.5±0.500	Tata 151/1510/1109/1610/807/909/haulage – cargo/ L & T Loader/ L & T Compactor – VC 752/VC1107/JCB Backhoe Loader – 3dx/4dx/4d Excavator -3d
EPN135	135	511*182*2 57±5mm	24	38±0.500	Tata 151/1510/1109/1610/807/909/ Haulage – Cargo/ L & T Loader/ L & T Compactor – VC 752/VC 1107/ JCB backhoe Loader – 3dx/4dx/4d Excavator JS210 LC, Excavator 3d, excavator, JS120, Excavator JS200hd, Excavator JS205, Excavator JS210 LC 4d, Loader 3dx extra, Loader 3dx Super, Loader 3dx, Loader 4dx, Telcon – Crane – Tata320, Crane – TCF-75, EX2500, FEL –TWL3036, Road Making Equip Tata VM3, TWL
EPN150	150	512*222*2 57±5mm	24	41.5±0.500	CNG Buses/ Tata 1612/1613/2516/Swaraj 1107/ KirloskarGenset 625 -750 KVA/ Telcon – Hydraulic Excavator EX300/Ex 350V/Cheetah/ Viking/ Cruiser – Re/panther- Re/ Vestibule
EPN180	170	521*278*2 70±5mm	24	51.75±0.500	Tata Motors/ Benk D 50/ Excavators KirloskarGanset/ Escord JCB

DIN 44	44	209*173*1 90±5mm	36	13.75±0.400	Volkswagen Vento 1.6L AT Highline Petrol, Volkswagen Ameo 1.2L MPI, Volkswagen Vento 1.6 Petrol, Volkswagen Polo 1.6 Petrol, Volkswagen Polo 1.2 Petrol, Tata Bolt Petrol, Tata Zest Petrol, Tata Indigo CS Petrol, Tata Indica Vista Petrol, Tata Indigo Marina Petrol, Tata Indigo Petrol, Tata Indigo Manza Petrol, Tata Indica Xeta Petrol, Skoda Rapid 1.6 Petrol, Skoda Fabia 1.2 Petrol, Premier Padmini Petrol, Mahindra Verito 1.4 Petrol, Ford Ecosport Diesel, Ford Ecosport Petrol, Ford New Ikon 1.3 Petrol, Ford New Ikon 1.4 Diesel, Ford Fusion Diesel, Ford Mondeo Diesel, Ford Fusion Petrol, Ford Mondeo Petrol, Ford Ikon Old Diesel, Ford Ikon Old Petrol, Ford Figo 1.4 Petrol, Ford Figo 1.4 Diesel, Ford Figo 1.2 Petrol, Ford Fiesta Classic 1.6 Petrol, Ford Fiesta Classic 1.4 Diesel, Ford Fiesta Diesel, Ford Fiesta Petrol, Fiat Petra Petrol, Fiat Avventura Petrol, Fiat Uno Petrol, Fiat Palio Petrol, Fiat Grande Punto 1.2 Petrol, Fiat Grande Punto 1.4 Petrol, Fiat Linea 1.4 Petrol, Chevrolet Sail Hatchback Petrol, Chevrolet Beat Petrol
DIN 55	55	240*175*1 90±5mm	36	16.5±0.400	Volkswagen Vento Old, Tata Bolt Diesel, Tata Zest Diesel, Tata Indica eV2 Diesel, Tata Indigo CS Diesel, Tata Indigo Manza Diesel, Tata Indigo Marina Diesel, Maruti Suzuki Celerio Diesel, Fiat Palio Adventure 1.6 Petrol, Fiat Siena Diesel, Fiat Palio Diesel, Fiat Uno Diesel, Opel Corsa Diesel, Opel Corsa Petrol, Chevrolet Aveo 1.6 Petrol, Chevrolet Aveo 1.4 Petrol, Opel Astra Petrol
DIN 66	66	277*175*1 90±5mm	36	20.75±0.400	Maruti Suzuki Ciaz 1.3 Hybrid, Maruti Suzuki S-Cross (Crossover) 1.6L, Maruti Suzuki Ertiga Diesel, Maruti Suzuki Ritz Diesel, Maruti Suzuki SX4 Diesel, Maruti Suzuki Swift Diesel, Maruti Suzuki Dzire Diesel, Hyundai Neo Fluidic Elantra 1.6 Diesel, Chevrolet Optra Magnum Petrol



GEO 35 R/L	35	197*129*2 27±5mm	24	9.5±0.250	Zen/1000/esteem/swift [p]/sx4[p]/ritz[p]/Hyundai santro, matiz, Mitsubishi Lancer/ Honda city/ Toyota corolla/ Toyota Innova[p], Honda jazz/MarutiAlto,wagon R/ Zen Estilo/ baleno, ecco, Chevrolet Spark
GEO 70 R/L	65	260*173*2 25±5mm	24	16.5±0.250	Indica [d]/indigo [d]/Chevrolet Optra/ tavera/ peugot [d]/ Mitsubishi pajero [d]/ bajajGc 1000/ ape/ mahendra pickup/ scorpio/ bolero/ Toyota Qualis/prado/ innova[d]
GEO 80 R/L	75	306*173*2 25±5mm	24	20.5±0.400	Sumo/ mobile/ tata 407/ m & m Armada/ marshal/ commander, cabstar/ Voyager/load king
GEO 90	90	410*176*2 34±5mm	24	25.5±0.400	Eicher [all Models]/ tractor [all Models]
GEO 100	100	410*176*2 34±5mm	24	27±0.400	Escord/ new Holland Tractor
GEO 130	130	511*182*2 57±5mm	24	36.5±0.500	Truck
GEO 150	150	512*222*2 57±5mm	24	40.5±0.500	CNG Buses/ Tata 1612/1613/2516/Swaraj 1107/ KirloskarGenset 625 -750 KVA/ Telcon – Hydraulic Excavator EX300/Ex 350V/Cheetah/ Viking/ Cruiser – Re/panther- Re/ Vestibule

### **Electric Vehicle batteries:**

These are powered by battery, but they generally have higher voltage system. Automotive batteries connected in series can be used since easily available in the market. The present market requirement is economical battery and limited warranty. Pasted plate technology used in Auto batteries is most economical. Most manufacturers use pasted plate design for this application and use automotive battery containers readily available.

Tubular Battery uses technology that seals the active material in tough polyester tubes called gauntlets. Active material shedding and grid corrosion is reduced with such tubular design ensuring long life of such batteries. Owing to their toughness and durability, tubular batteries can operate at extreme temperatures, and are used in deep cyclic applications involving frequent and prolonged power outages.

Electric vehicles are powered by a high-voltage electric vehicle batteries, but they generally have an automotive battery as well, so that they can use standard automotive accessories which are designed to run on 12 V.



Model	Rated Capacity Ah @ C20	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
EEF1200	120	415*172*215±5mm	6	27.75±0.500	Electric rickshaw - Passenger / Goods
EEF1400	140	415*172*215±5mm	6	29.5±0.500	Electric rickshaw - Passenger / Goods

#### **Motor Cycle batteries – Valve Regulated Lead Acid Battery (VRLA Batteries)**

VRLA Batteries are valve regulated lead-acid batteries which are prepared using Lead Plate. Absorbed Glass Mat types of VRLA can be mounted on any orientation, and do not require constant maintenance. These batteries are majorly applied in two wheelers. Our company sells VRLA Motor Cycle range of batteries under the name ELECTRA ZOMBASTIC. We sell 5 different Models of Motor Cycle batteries as mentioned below. These Models differ in terms of Size, Capacity and find its application in wide range of two-wheelers across the industry.



Model	Ah@C10	Dimension L*W*H	Warranty (in months)	Charged Weight	Applications
Ez 2.5	2.5	80*70*105	36	1	Bajaj Motor Bikes : Caliber Croma, Boxer, Discover (KS), 4S Champion, KB 125/4S, Platine, CT 100, Wind 125,

					Aspire, Discover 135, Bajaj Scooters: Bravo, HeroMotoCamp Motor Bikes: Achiever (KS), CD Dawn, CD Deluxe, CD 100, CD 1 D0SS, Glamour(KS) GlamourF1 (KS) Sleek Ambition Passion Pro (KS), Splendor (KS), CBZ (KS), CBZ – gold (KS), CBZ X – Treme, Hunk(KS), HF – Dawn (KS) CB 100, Honda Motor Bikes: Shine, Unicorn (KS), Dream Yuga, Kinetic Motor Bike: Boss, Velocity (KS), Challenger, K4 100
EZ	4	98*57*110	36	1.3	Hero Motocamp: Pleasure New (ES), Honda: CB Trigger, CB Dazzler
EZ 5	5	120*61*132	36	1.9	Bajaj Motor Bikes: Discover (ES), XCD-125 & 135 DTS-Si, Discover 125 ST, Discover 100 & 125, BM 125, Pulsar 125 & 135, Bajaj Motor Scooters: Saffire, Spirit, Wave, Kristal, Hero MotoCamp Bike: Achiever (ES), Glamour (ES), GlamourF1 (ES) Passion + , Super Splendor, Hunk (ES), Hero Motorcamp Scooters: Street, Super Splendor, winner, Honda Scooter: Aactiva, Dio, Aviator, Kandaa Motors Bike: Brave (ES), Mission 100 (ES), Kinetic Bikes: Velocity (ES), Kinetic Scooters: Kinetic Honda DX,ZX, Marvel, Kine, Zoom
EZ 7	7	149*61*130	36	2.4	Bajaj: Discover M, Discover H. Pulsar 150 , Discover 150, Hero MotoCorp: Achiever, CBZ, CBZ XTrem, Hunk, Karizma Vibgyor: Shark, Suzuki: GS 150 R (old Model) Yamaha: Enticer, Mahindra 2-Wheelers: Rodeo Duro, Sharda Automobiles: ufo
EZ 9	9	135*76*139	36	2.8	Bajaj Motor Bikes: Pulsar 200, Avenger, Eliminator, Pulsar 200 NS, Pulsar 220 DTS-I, Pulsar 180 DTS-I, Kinetic Motor Bikes: Kinetic 4S, GF Laser, Gf170, Kinetic Scooters: Nova 13, Nova EX, Kinetic SYM Flyte, Blaze

### Inverter Batteries

Tubular Battery uses technology that seals the active material in tough polyester tubes called gauntlets. Active material shedding and grid corrosion is reduced with such tubular design ensuring long life of such batteries. Owing to their toughness and durability, tubular batteries can operate at extreme temperatures, and are used in deep cyclic applications involving frequent and prolonged power outages. Tubular batteries are used in inverters for domestic and commercial use.



Model	Rated Capacity Ah @ C20	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
EFP 135	135	505*216*256±5mm	24	38±0.500	INVERTER/ ups
EFP 150	150	505*216*256±5mm	24	40±0.500	INVERTER/ ups
ELJT 1450	130	515*273*255±5mm	48	51±0.750	INVERTER/ ups
ELJT 1650	150	515*273*255±5mm	48	53±0.750	INVERTER/ ups
ELJT 1850	160	515*273*255±5mm	48	54.5±0.750	INVERTER/ ups
ELJT 2150	190	515*273*255±5mm	48	59±0.750	INVERTER/ ups
ELTT5000	130	503*191*410±5mm	48	54.5±0.750	INVERTER/ ups
ELTT150	150	503*191*410±5mm	36	54.75±0.750	INVERTER/ ups
ELTT1500	150	503*191*410±5mm	36	55±0.750	INVERTER/ ups
ELTT6000	150	503*191*410±5mm	48	57±0.750	INVERTER/ ups
ELTT1800	180	503*191*410±5mm	36	58.25±0.750	INVERTER/ ups
ELTT7000	180	503*191*410±5mm	48	61±0.750	INVERTER/ ups
ELTT8000	210	503*191*410±5mm	48	63±0.750	INVERTER/ ups
ELTT160024	150	503*191*410±5mm	36	55±0.750	INVERTER/ ups
ELTT170030	150	503*191*410±5mm	48	55.5±0.750	INVERTER/ ups
GEO-TT 150	150	503*191*410±5mm	48	54.5±0.750	INVERTER/ ups
GEO-TT 1600	160	503*191*410±5mm	60	57.5±0.750	INVERTER/ ups
GEO-TT 180	180	503*191*410±5mm	48	58.25±0.750	INVERTER/ ups
GEO-TJ 150	150	515*273*255±5mm	36	53±0.750	INVERTER/ ups

### **Solar Batteries:**

Energy from sun is converted into electric energy by photovoltaic cells. This energy needs to be stored so that it can be used during night and low sunshine days. Solar batteries are designed to have low antimony alloy which reduce the topping up frequency, making the battery low maintenance.

Solar battery gets charged with DC current produced by solar cells. These batteries supply DC current or AC current through inverters to electrical appliances. Large installations can feed back such power to grid. The areas where regular maintenance is difficult, maintenance free battery are chosen.



Model	Rated Capacity Ah @ C10	Dimension L*W*H	Warranty (in months)	Charged Weight Kgs	Applications
ETS 25000	20	306*173*270±5mm	36	16.5±0.400	SOLAR/IRRIGATION/WIND MILL
ETS 45000	40	410*176*234±5mm	36	25±0.400	SOLAR/IRRIGATION/WIND MILL
ETS 75000	75	503*216*290±5mm	36	38±0.500	SOLAR/IRRIGATION/WIND MILL
ETS 95000	100	503*216*290±5mm	36	43.5±0.500	SOLAR/IRRIGATION/WIND MILL
ETS 120000	120	503*216*290±5mm	36	57±0.750	SOLAR/IRRIGATION/WIND MILL
ETS 150000	150	503*216*290±5mm	36	61±0.750	SOLAR/IRRIGATION/WIND MILL
ETS 200000	200	503*216*290±5mm	36	63.5±0.750	SOLAR/IRRIGATION/WIND MILL

### **Solar Power Generating Systems**

There are 3 types of Solar Power Generating System:

#### **4. Grid tied solar system:**

*Main components* – Solar panel, Grid tied Inverter, Power meter/Net meter

This system has better efficiency, low cost. Solar panel generates DC current and voltage and it is fed to grid tied inverter. This inverter supply regulated AC power output and smoothen voltage and current

variation from panel. Power meter between utility grid and load need to have net meter so that extra power supplied back to the grid can be monitored.

**5. Off grid solar system:**

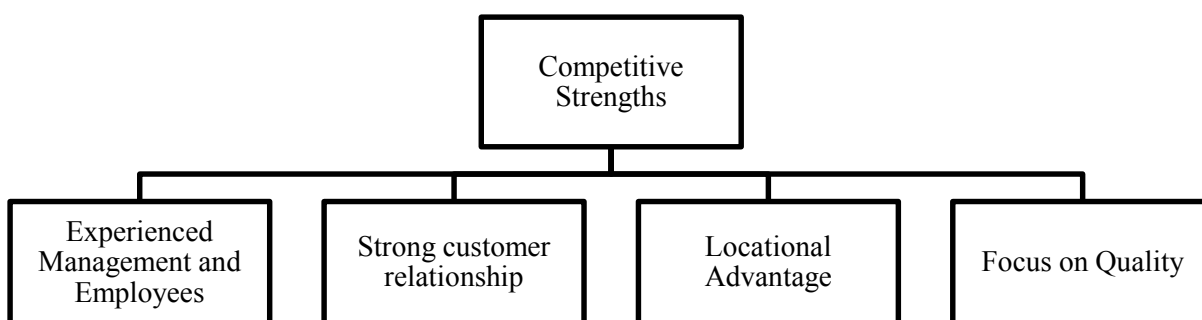
*Main components:* Solar panel, charge controller, battery bank, off grid inverter, DC disconnect switch, gen set-optional.

Solar panel generates DC current, charge controller regulates battery charging current, battery supplies DC power to off grid inverter and inverter supplies load to home appliances. This system has overall low efficiency, costly equipment and maintenance cost is high. Only in remote area, such system may be considered.

**6. Hybrid system:**

*Main components:* Solar panel, charge controller, battery bank, grid tied inverter, utility grid. This system is better when essential loads are present and utility grid power may not be guaranteed.

## COMPETITIVE STRENGTHS



### **Experienced Management and Employees**

With the expertise in the field of batteries, promoters of our Company play a vital role in the success of our Company. Further, our core strength lies in our employees with diversified expertise and experience, we believe that the success of our organisation lies in the efforts of our human resources.

- **Management:**

Our Promoter, Chetan Sanghvi who is on the Board of the company since inception, also serves as Chairman, looks after the overall management of the Company. He has the required experience and knowledge of the battery industry. Further, Bhaumik Sanghvi who is also Whole Time Director and Chief Financial Officer of our Company, looks after the entire functioning of the Company varying from Purchase, Production, Research & Development (R&D), Quality, Finance and Sales.

- **Employees:**

Further, our company is managed by qualified and experienced personnel who are well versed with our industry and the business undertaken by our Company. Our core strength lies in our employees, and it is particularly because of our sales and service team, which have put in tremendous efforts over the years to create a brand image in the market. We have employed people in different areas of work who have such technical competence and qualifications. We believe the strength and entrepreneurial vision of our Promoters and senior management has been instrumental in driving our growth and implementing our strategies.

### **Strong customer relationship:**

With experience of more than three decade of our promoter Mr. Chetan Sanghvi in the batteries segment, our company has created a sustainable customer base which includes distributors,

intermediaries and direct customers. We also have regional offices and branch offices at various parts across the country, assisting our company to improve our after-sales services which became one of the important factor for getting repetitive business from our customers.

#### **Locational Advantage:**

Our manufacturing unit at Vapi has been selected strategically, which gives us locational advantage in terms of availability of logistic services and proximity to our product market. Because of the location of our manufacturing unit and other logistic related infrastructure, we have been able to deliver our products to Northern and Southern region of our country with ease.

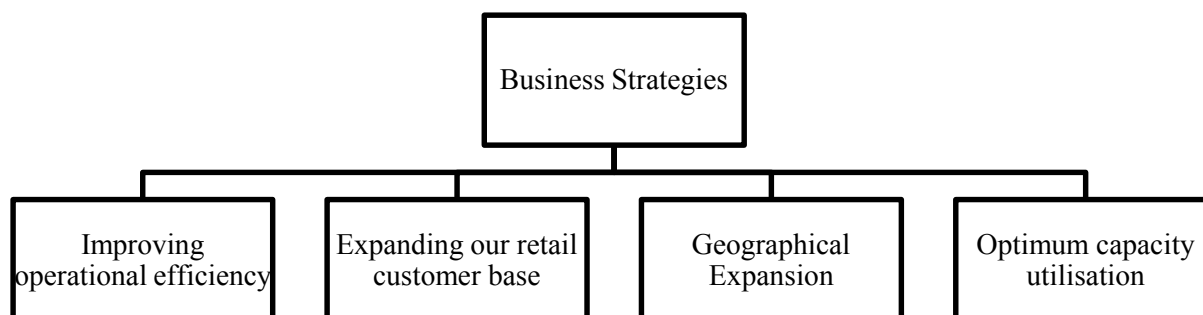
#### **Focus on Quality:**

Our focus has been majorly on maintaining the quality of products as well as after sales service to our customers. We have placed stringent operational practices which helps us meet the customers' requirements both in terms of products and after sales services. Our Company is an 9001:2015 and ISO 14001:2015 certified. Our business model, together with our quality control measures, and efficient management systems helps us to optimize our cost structure and ensure quality products.

Procurement: We have always followed a stringent process for procuring standard approved Raw Materials from selected Vendors. Owing to our relationship with our suppliers over a period of years, we have always been able to timely procure the right quality of Raw materials which acts as a support system for our QC department. Exhaustive and regular testing at plant level have helped in standardizing the quality of all products manufactured by ourselves.

Quality Control Measures: We are committed to maintain quality and at all steps from procurement till dispatch. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices.

### **BUSINESS STRATEGY**



#### **Improving operational efficiency**

We will continue to focus on improving our operational efficiency at our production facilities which will lead to cost minimization. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We will also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.



### **Expanding our retail customer base**

We intend to expand our retail consumer base by developing and engaging more dealers and distributors in India for our products. For this very purpose, we are in process of establishing two parallel brands in the market, namely Electra and GEOPOWER. Both the brands are established with different objectives and have a different sales team at middle-level management targeting required billing points in the same state. While Electra, is our premium brand it caters majorly to Metro and A-Class cities while GEOPOWER being a cost-effective product primarily caters to B-Class, C-class and rural areas of that state. We aim to grow direct sales to retail consumer products by setting up branches and service station for after sale service. We intend to achieve this through marketing of our brands and expansion of our distribution network to promote our brand visibility. We also continue to evaluate potential sales growth for specific products and cost of distribution from time to time. We also intend to engage stockists in revenue generating area as well as other existing and new markets in various states.

### **Geographical expansion**

We intend to gradually expand our operation to almost throughout the country with branch offices across different states. With a current distribution network at various location in the country we intend to double our distributors' points in couple of years. We aspire to have operations across the country over next three years by starting operations in Eastern and Southern India alongside strengthening our presence in existing territories. We are looking forward to start our first branch in South India, in the state of Karnataka with an intention to expand our business in rest of the region. By having existing presence in Eastern zone, we intend to start our Branch offices across four states of Eastern India to cover the region geographically.

We intend to leverage our domestic knowledge, experience and brand image to expand our operations in foreign markets. Further, we intend to mainly focus on the institutional and retail customers in the future in these geographies to scale up our revenues. Historically our revenue has been dependent on domestic market. We intend to develop new distribution channels in international geographies. We intend to upscale our export operations to sell higher volumes of our products and aim to expand our retail presence.

### **Optimum capacity utilization**

We aim to focus on further integrating our operations and improving capacity utilization at our production facilities. Higher capacity utilization results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. For further information, please see the section entitled "*Our Business – Capacity Utilization*" in this section.

## **SWOT ANALYSIS**

<b>Strengths:</b> <ul style="list-style-type: none"><li>• Locational advantage</li><li>• Revenue from Institutional and channel market</li><li>• Experienced team and known brand</li></ul>	<b>Opportunities:</b> <ul style="list-style-type: none"><li>• Growing focus on E-vehicle &amp; Solar panels leading to incremental demand of batteries</li><li>• Launched brand "GEOPOWER" for wider range of customers</li></ul>
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<b>Weakness:</b> <ul style="list-style-type: none"> <li>Fully dependent on third party logistic services for battery supply</li> <li>Limited geophysical presence in Southern and Eastern part of India.</li> </ul>	<b>Threats:</b> <ul style="list-style-type: none"> <li>High competition from established players</li> <li>Innovation in alternatives of batteries</li> </ul>
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## COLLABORATION

As on date of filing of Draft Red Herring Prospectus, our Company has not entered into any collaboration agreement.

## OUR RAW MATERIALS

For manufacturing of the batteries, we require lead oxide, lead selenium, red lead, sulphuric acid, etc. We procure the required raw materials from local market and process the same at our facilities. Following are the brief description of the raw materials been used in the manufacturing process:

**Lead Oxide:** This is the powder of pure lead (99.97 to 99.99%), also called grey oxide. This is the inorganic compound with chemical formula PbO. It is in powder form having grey to light green colour. Lead oxide is used in both positive and negative plate active material in lead-acid batteries.

**Red Lead:** This is commonly called red oxide. This is the inorganic compound with chemical formula Pb<sub>3</sub>O<sub>4</sub>. This is a fine powder having bright red to orange colour. Red lead is used in tubular positive plates of lead acid batteries.

**Lead selenium alloy:** It is an alloy of lead metal with small percentages of Antimony, Tin, Arsenic, Selenium and other traces of impurities within specified limit. Alloying element Selenium generally improves grain structure and thus reduces pit corrosion of grid. This alloy is used for casting grids.

**Diluted Sulphuric acid (H<sub>2</sub>SO<sub>4</sub>):** Dilute Sulphuric acid has a lower concentration of H<sup>+</sup> ions per unit volume. Concentrated Sulphuric acid is diluted by De mineralized/de ionized water. This is used for preparation of paste that gets converted into active material after drying and charging. Dilute Sulphuric acid in the battery also takes part in reversible action during charge/discharge; hence, it is also active component in lead acid battery.

## END USERS

Our products commonly find its applications in all kinds of Vehicles, Inverters, Solar power projects, railways and general industrial applications. End Users of our products are customers who use or are engaged in the above mentioned businesses. We have sold 1,50,101 units of batteries in FY 2017-18 as compared to 1,02,952 units in FY 2015-16.

## SALES & MARKETING STRATEGIES

### **INSTITUTIONAL SALES**

Owing to widespread application across various industries, our products finds Institutional Customers across four categories which include Original Equipment manufacturers (OEM), Private label and Contract manufacturing, Government and Private Institutions and Exports.

**Private label and Contract manufacturing**

The company at this stage is strongly engaged in Private label and Contract manufacturing with top names in the industry while trying to expand its reach of quality products across industry. Last few years has seen a huge growth in this particular domain due to Auto Spare parts companies engaging in Contract manufacturing of two and four wheeler batteries under their brand name since it finds synergy with its related business.

Similarly Electrical companies have forayed into Contract manufacturing of Inverter batteries under their brand name since it finds synergy with its related business.

We aim to maximize our reach to these private Institutions which would in-turn help in gaining a strong momentum in Sales and eventually help us set up a sustainable businesses model.

**Original Equipment manufacturers (OEM)**

Our products find its customer base with OEM's in four major industries namely Automobile, Gen-sets, UPS-Inverters and E-vehicle manufacturers. Automobile OEM's primarily include Auto and Auto part manufacturers, which finds huge revenue in terms of batteries. It shall be our strong endeavor to establish ourselves with such reputed OEM's to optimize cost, capacity and further boost our revenue and profits.

While EV OEM's are currently widespread across northern and Eastern India, which we are registered with, we further look forward to extend our footprint on the same in coming years.

**Exports**

Demand of products manufactured by us finds itself in abundant supply to SAARC nations, Middle East and African countries. We strongly look to foray into the same and establish ourselves prominently across this domain to boost our Sales and profitability.

**Government and Private Institutions**

Private and Government institutions have widespread application of all products we are engaged in. However Indian Railways, Telecom sector and Solar sector predominantly have remained major chunk of this segment in terms of revenue and demand for the entire industry. We currently are engaged in the Solar domain for supply of Solar batteries however wish to expand our reach to Telecom and Indian Railways which will also give high credibility to the quality of products we manufacture.

**CHANNEL SALES**

We are engaged in Manufacturing under two different brands, "*Electra*" and "*GEOPOWER*". While *Electra* works on a distribution model, *GEOPOWER* is franchisee driven business model. We aim at establishing multiple billing points across states we operate in based on Geography and market potential of every state. We categorize each state within 3-4 areas and every area consists of 10-20 districts where we aim to appoint exclusive *Electra* and *GEOPOWER* billing points in each and multiple districts respectively.

*Electra* being a distribution model strategy, we aim to establish one distributor in each district. However, *GEOPOWER* being a Franchisee driven Business model, we appoint every Franchisee for multiple districts in every state for all our range of products.

Post billing, we have a dedicated team of 49 Sales & Service professionals across the country who help in liquidating the material to various retail counters in form of secondary sale. Actual Sale of the

product takes place when the retailer sells the same to the end customer, which we term as Tertiary Sale.

Battery being a service oriented industry, we aim to resolve all service and warranty related issues at the earliest and have branch offices, which act as our service station in every state. Quality and Service have always been the pillars of this industry and we want to keep improving ourselves to strengthen these pillars.

## **COMPETITION**

Our industry being a large and global industry, we face competition from various domestic and international players. The Industry which we cater to is highly competitive, organized and also fragmented with many small and medium-sized companies and entities. We compete with organized as well as unorganized sector on the basis of our capability to supply products with quality consistency, competitive pricing, after sales and warranty, availability of product, product quality and product range.

Our competitors are battery manufacturers from India and overseas, regional mid-size players from organised and unorganized manufacturers. We intend to continue competing vigorously to spread our market share and manage our growth in an optimal way.

Our Company competes with the following listed peers:

1. Exide Industries Limited
2. Amara Raja Batteries Limited

## **UTILITIES & INFRASTRUCTURE FACILITIES**

### **Infrastructure Facilities**

Our facilities are well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly.

### **Power:**

Our manufacturing facility meets its power requirements for manufacturing activities by purchasing electricity from Dakshin Gujarat Vij Company Limited which has sanctioned 250 KVA load to the company.

Our power requirements is not much at Corporate Office and we require power for our daily basic operations which we meet by purchasing electricity from Reliance Energy at our Corporate Office.

### **Water:**

Adequate arrangements with respect to water requirements for drinking purpose are made at our Office. Further, our factories are equipped with basic facilities required for day to day operations.

## **EXPORT AND EXPORT OBLIGATIONS**

Our Company does not have any Export Obligation as on date of filing of this Draft Red Herring Prospectus.

## **HUMAN RESOURCE**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for the kind of business that we are engaged in.

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/semi-skilled/unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. As on June 30, 2018, we have 169 full time employees on our payroll, details of which are as follows:

Department	Number of Employees
Directors	4
Legal & Secretarial	1
Administration	5
Purchase	2
Accounts	8
Finance	2
Sales & Service	49
Production / Maintenance	17
HR	2
Workman	79
<b>Total</b>	<b>169</b>

#### CAPACITY UTILIZATION

Our manufacturing units are engaged in manufacturing and sale of batteries for applications in Motorcycles, Automobiles, Inverters, E-vehicles and Solar batteries in the channel market. The production and utilization capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual			Projected		
<b>All types of batteries</b>						
Installed (in units)	100,000	1,50,000	1,50,000	2,50,000	2,50,000	2,50,000
Utilized (in units)	83,779	86,284	1,22,399	1,25,000	2,00,000	2,37,500
<b>Capacity Utilization (approx. in %)</b>	<b>84%</b>	<b>58%</b>	<b>82%</b>	<b>50%</b>	<b>80%</b>	<b>95%</b>

*Note: The installed capacity is interchangeable for all types of batteries. Batteries are manufactured as per the demand and market scenario. Our Company plans to install a new manufacturing line for increasing its installed capacity.*

#### INSURANCE

Our insurance policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained. We maintain insurance policies in respect of our business operations and products & services.

We have taken different insurance policies under Standard fire and special peril policy, brief details of which are as under:

Policy No	Risk Covered	Property Description	Sum Assured (Amount in Rs. Lakhs)	Name of the Issuer	Policy Period	
					From	To
020300 1117P1 063960 49	Earthquake STFI Cover	<u>At Factory Unit at plot no 261 A&amp;B, Vapi</u> Computer, Printer, CCTV, Scanner & Other Similar Items & Office Equipments. (4,00,000) Battery Manufacturing Machineries, Accessories & Spare Parts (1,21,00,000)	125.00	United India Insurance Company Limited	31-07-2017	30-07-2018*
020300 1116P1 187879 92	Earthquake STFI Cover	Stock of All Kinds of Batteries & Packing materials lying anywhere/stored in above depots in above premises on Floater basis. (Depots - UP, Haryana, Uttaranchal, Rajasthan, Maharashtra, Punjab, Gujarat, MP, Bihar, Telangana, Delhi, all 3 factories of Vapi)	800.00	United India Insurance Company Limited	22-03-2018	21-03-2019
020300 1117P1 063954 84	Earthquake STFI Cover	<u>At Factory Unit at plot no 136/I/1, Vapi</u> Battery Manufacturing Machineries, Accessories & Spare Parts (19,00,000) Computer, Printer, CCTV (2,00,000)	21.00	United India Insurance Company Limited	31-07-2017	30-07-2018*
020300 1117P1 063956 41	Earthquake STFI Cover	<u>At Factory Unit at plot no 136/I/1, Vapi</u> Battery Manufacturing Machineries, Accessories & Spare Parts (43,00,000) Computer, Printer, CCTV (2,00,000)	45.00	United India Insurance Company Limited	31-07-2017	30-07-2018*

Policy No	Risk Covered	Property Description	Sum Assured (Amount in Rs. Lakhs)	Name of the Issuer	Policy Period	
					From	To
990000 211702 000000 13	Transport by Rail, Road, Others	Transport of All types of Misureds Trade but not limited to All types of Batteries Auto, Tubular, JJMBO, Inverter Batteries and Similar Items from anywhere in India to Anywhere in India	4000.00	The New India Assurance Co. Ltd	14-07-2018	13-07-2019
2130/0 119443 2/000/0 0	Earthquake (Fire & Shock), Terrorism Damage Coverage, Kutcha Construction Warranty, Storage Warranty for Category I materials.	Registered Office (19, Mahavir Nagar, Vapi)	34.50	Cholaman dalam MS General Insurance Company	09-03-2018	08-03-2019
2130/0 119520 9/000/0 0	Earthquake (Fire & Shock), Terrorism Damage Coverage, Kutcha Construction Warranty	Factory Unit at plot no 136/I/1, Vapi	124.50	Cholaman dalam MS General Insurance Company	09-03-2018	08-03-2019
2130/0 119444 1/000/0 0	Earthquake (Fire & Shock), STFI Cover, Kutcha Construction Warranty.	Factory Unit at plot no 165 B-14, Vapi	146.25	Cholaman dalam MS General Insurance Company	09-03-2018	08-03-2019
020300 1217P1 187887 91	Theft	Stock in trade or Goods in the custody of the insured -All kinds of batteries and similar	2000.00	United India Insurance Company	22-03-2018	21-03-2019

Policy No	Risk Covered	Property Description	Sum Assured (Amount in Rs. Lakhs)	Name of the Issuer	Policy Period	
					From	To
		items including packing materials. (Depots - UP, Haryana, Uttaranchal, Rajasthan, Maharashtra, Punjab, Gujarat, MP, Bihar, Telangana, Delhi, all 3 factories of Vapi)		Limited		
2130/0 018462 8/000/0 0	Earthquake (Fire & Shock), STFI Cover, Kutcha Construction Warranty.	Flat No. 2, C Ground Floor, Building No. 8, Deep Tower, Golani Complex, Vasai East, Thane, Maharashtra	14.25	Cholaman dalam MS General Insurance Company	09-03-2018	08-03-2021
020300 1117P1 187870 84	Earthquake STFI Cover	Stock of All Kinds of Batteries, Raw Materials stocks in process finished products i.e. All kinds of batteries lying anywhere/stored in Factories in Vapi. Factory Unit at plot no C-1 1812-1, Vapi Factory Unit at plot no 261 A& B, Vapi Factory Unit at plot no 136/I/1, Vapi Factory Unit at plot no 165 B-14, Vapi	1200.00	United India Insurance Company Limited	22-03-2018	21-03-2019

*\*Our Company is in process of renewal of the expired insurance policies.*

#### INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

##### TRADEMARKS

Sr. No.	Trademark	Trade mark Type	Class	Applicant	Applicat ion No.	Date of Applicat ion	Validit y/ Renew al	Registra tion status
1.	ELECTRA	Word	9	Electra Accumulat	2209538	Septemb er 23,	NA	Opposed

				ors Private Limited		2011		
2.		Device	9	Electra Accumulators Private Limited	2209539*	September 23, 2011	September 23, 2021	Registered
3.	POWER TON	Word	9	Electra Accumulators Private Limited	1498823**	October 26, 2006	October 26, 2026	Registered
4.	POWERTONE	Word	9	Electra Accumulators Private Limited	2395094	September 12, 2012	NA	Opposed
5.		Device	9	Electra Accumulators Private Limited	3640558	September 21, 2017	NA	Objected
6.		Device	9	Electra Accumulators Private Limited	3786764	March 23, 2018	NA	Objected

## LAND AND PROPERTY

### Owned Properties

Sr. No.	Property description	Usage	Vendor	Area	Consideration
1.	Land	Vacant Property	Saraswati Vithal Chaudhari	409 sq. mtrs.	Rs. 11.51 Lakhs

### Leasehold Property

Sr. No.	Location of the property	Licensor/ Lessor	Lease Rent/ License Fee	Tenor		Usage
				From	To	
1.	19, Mahavir Nagar, Shopping Centre, N.H.8, GIDC, Vapi- 396195, Gujarat, India	Chetan Shantilal Sanghvi	Rs. 5000/- per month	April 1, 2018	March 31, 2021	Registered Office
2.	33-A, Vidhya Villa Compound, Old Nagardas Road, Andheri [East] Mumbai-400069 Maharashtra, India	Electra Battery Plate Manufacturing Co.	Rs. 5000/- per month	April 1, 2015	March 31, 2020	Corporate Office
3.	Plot no. 165/A/4 & 165/A/5, Vapi,	Pravinbhai Ratilal	Rs. 2,00,000 per month	December 1,	November 30, 2022	Factory



Sr. No.	Location of the property	Licensor/ Lessor	Lease Rent/ License Fee	Tenor		Usage
				From	To	
	Valsad, Gujarat, India	Mithiya HUF and Babitaben Harshabh ai Patel		2017		
4.	Plot No. 136/I/1, GIDC, 2nd Phase, Vapi- 396195, Gujarat, India	Swastik Battery Industries	Rs. 10000 per month	April 1, 2018	March 31, 2021	Factory
5.	Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat, India	Swastik Battery Industries	Rs. 10000 per month	April 1, 2018	March 31, 2021	Factory
6.	513-514, 5 <sup>th</sup> floor, Plot No. 8, Sector – 9, S.G. Shopping Mall, Rohini, Delhi – 85	Veena Jain	Rs. 29,700 per month	December 20, 2016	September 19, 2018	Branch Office

## **KEY INDUSTRIES REGULATION AND POLICIES**

Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of Battery Manufacturing industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

### **APPROVALS**

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 279 of this Draft Red Herring Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise” , where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “ Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

##### **Industrial Policy of Relevant State**

##### **Gujarat Industrial Policy 2015**

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures,

Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

### **Anti-Trust Laws**

#### **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

### **GENERAL CORPORATE COMPLIANCE**

#### **The Companies Act 1956 and The Companies Act, 2013**

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors’ payable by the companies is under Part II of the said schedule.

### **EMPLOYMENT AND LABOUR LAWS**

### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

### **The Employees’ Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Employees’ State Insurance Act, 1948 (the “ESI Act”)**

It is an act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the

establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

#### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

#### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

#### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

#### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

#### **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

#### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

#### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor is to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

## **TAX RELATED LEGISLATIONS**

### **Value Added Tax (“VAT”)**

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

#### **Gujarat Value Added Tax Act, 2003 (“GVAT”)**

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation, the following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

#### **Rajasthan Value Added Tax Act, 2003 (“RVAT”)**

VAT is the most progressive way of taxing consumption rather than business. RVAT has come into effect from 1st January 2007. It is a multi-stage tax on goods that is levied across various stages of production and supply with credit given for tax paid at each stage of Value addition. VAT is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

#### **Punjab Value Added Tax Act, 2005**

Previously, sales tax was being levied at a single point in the supply chain in Punjab. The Punjab VAT Act, 2005 is an act to provide for the levy and collection of value added tax and turnover tax on the sales or purchases of goods and for the matters connected therewith and incidental thereto, and for the repeal of the Punjab General Sales Tax Act, 1948. The Act applies to sale, lease, hire purchase and works contracts. The word “person” is defined u/s. 2 (t) and u/s. 2 (zo) “taxable turnover” means that part of gross turnover of sales or purchases, as may be determined after making such deductions from the gross turnover of sales or purchases, as are admissible under this Act or as may be prescribed, on which a person shall be liable to pay tax. Section 6 deals with the incidence of tax. Output tax is the amount of tax payable on sale of goods in Punjab by a Taxable Person to a consumer or a person registered under the Act. Input tax is VAT paid or payable under this Act by a Taxable Person to another Taxable Person on the purchase of taxable goods. These goods could be for resale or for use by the buyer in the manufacture or processing or packing of taxable goods in the State. Net Tax Payable = Total Output tax – input tax credit.

#### **Maharashtra Value Added Tax Act, 2002**

As per the provisions of MVAT, a dealer is liable to pay tax on the basis of turnover of sales within the State. The term dealer has been defined u/s. 2(8) of the Act. It includes all person or persons who buys or sells goods in the State whether for commission, remuneration or otherwise in the course of their business or in connection with or incidental to or consequential to engagement in such business. The

term includes a Broker, Commission Agent, Auctioneer, Public Charitable Trusts, Clubs, Association of Persons, Departments of Union Government and State Government, Customs, Port Trusts, Railways, Insurance & Financial Corporations, Transport Corporations, Local authorities, Shipping and Construction Companies, Airlines, Advertising Agencies and also any corporation, company, body or authority, which is owned, constituted or subject to administrative control of the Central Government, any State Government or any local authority.

### **Madhya Pradesh Value Added Tax Act, 2002**

It is an act to levy tax on sale and purchase of goods in the state of Madhya Pradesh. As per Section 5 (1) The incidence of tax is on every dealer whose turnover during a period of twelve months immediately preceding the commencement of the Act exceeds the prescribed limits, which shall not exceed rupees five lacs, shall from such commencement be liable to pay tax under this Act in respect of sales or supplies of goods effected by him in Madhya Pradesh. Different limits may be prescribed for different category of dealers. Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act in respect of sales or supplies of goods effected by him in Madhya Pradesh with effect from the date on which his turnover in a year first exceeds the limit prescribed under the said sub-section but for the purpose of assessment of the tax for that year, only so much of his turnover as is in excess of such limit, shall be taken into consideration. The tax shall be levied on goods specified in Schedule II, a tax at the rate mentioned in the corresponding entry in column (3) thereof and such tax shall be levied on the taxable turnover of a dealer liable to pay tax under this Act.

### **Haryana Value Added Tax Act, 2003**

A tax levied on collection of tax on sale or purchase of goods in the State of Haryana and matters incidental thereto. The term business includes (i) any trade, commerce or manufacture, or any adventure or concern in the nature of trade, commerce or manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive to make gain or profit and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure or concern; and (ii) any transaction, casual or otherwise, in connection with, or incidental or ancillary to, such trade, commerce, manufacture or concern. "Trade" includes trade of goods and services. The term 'goods' in context to this act means every kind of movable property, tangible or intangible, other than newspapers, actionable claims, money, stocks and shares or securities but includes growing crops, grass, trees and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.

### **Delhi Value Added Tax Act, 2004**

The Delhi Value Added Tax Act, 2004 is an act to consolidate and amend the law relating to levy of tax on sale of goods, tax on transfer of property involved in execution of works contracts, tax on transfer of right to use goods and tax on entry of motor vehicles by way of introducing a value added tax regime in the local areas of the National Capital Territory of Delhi. An elaborative definition of the term dealer is contained in section 2 (j) of the Act. Under section 3 (1) of the Act, Subject to other provisions of the Act, every dealer who is –

(a) registered under this Act; or

(b) required to be registered under this Act; shall be liable to pay tax calculated in accordance with this Act, at the time and in the manner provided in this Act. The rates of tax to be levied are under section 4 of the Act. Tax shall be paid in the manner specified in section 36 of this Act. Section 6 deals with those sales which are exempt from tax.

### **The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976**

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of 'dealer' defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more



than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlours, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc. are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

<b>Monthly Salary</b>	<b>Amount payable in Gujarat</b>
Less than Rs. 5999	Nil
Rs. 6000 to Rs. 8999	Rs. 80 per month
Rs. 9000 to Rs. 11999	Rs. 150 per month
Rs. 12000 & above	Rs. 200 per month

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25<sup>th</sup> of the month immediately following the half year to which the return relates.

### **Central Sales Tax Act, 1956 ("CST")**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

## **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

- 2.5% in case of restaurants etc.
- 1% of the turnover in state/UT in case of manufacturer
- 0.5% of the turnover in state/ UT in case of other supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

## **OTHER LAWS**

### **The Factories Act, 1948**

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **Shops and establishments laws in various states**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

## **ENVIRONMENTAL LEGISLATIONS**

### **The Environment Protection Act, 1986 (“Environment Protection Act”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act 1981 (“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### **Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A

person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### **Hazardous Waste (Management and Handling) Rules, 1989**

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

### **Batteries (Management and Handling) Rules, 2001**

The Batteries Management and Handling Rules were notified in the year 2001 with the primary objective of channelizing the used lead acid batteries for environmentally sound recycling. The Rules mandates State Pollution Control Boards to seek data on sale, import, generation, collection and recycling of used batteries from manufacture, assembler, re-conditioners, and importer, auctioneers and batteries recyclers for keeping track of used batteries. Responsibilities have been fixed on manufacturers, importers, re-conditioners and assemblers to ensure that used batteries are collected back and sent to registered recyclers. Responsibilities were also fixed on other stake holders such as dealers, recyclers, bulk-consumers and auctioneers to maintain records and file annual returns. The regulatory authorities involved are State pollution Control Boards, Customs authorities, Central Pollution Control Board and Ministry of Environment, Forest and Climate Change.

The rules provide that manufacturers, dealers, assemblers, re-conditioners, auctioneers, bulk consumers, authorized recyclers and importers have to file half yearly returns on sale, collection of used batteries and quantity sent to registered/authorized recyclers. The rules also provide for registration/authorization of dealers by SPCBs and registration of importers by CPCB. Dealers, who are key stakeholders in these roles have to file half yearly returns to manufacturers, who in turn have to file compiled half yearly returns to SPCBs. Manufacturers are required to manage channelization through their dealer network and also through their collection centres. One of the main responsibilities of manufacturers is also to create awareness among the consumers and to implement take-back system for the end of life batteries produced by them.

### **The Public Liability Insurance Act, 1991**

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources

- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

#### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

#### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

#### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

### **OTHER LAWS:**

#### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and license to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person

and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2017("**FDI Policy 2017**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings and reporting to RBI.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as “Electra Accumulators Private Limited” at Vapi, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Registrar of Companies, Ahmedabad, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by members in Extraordinary General Meeting held on February 24, 2018, consequently the name of our Company was changed to “Electra Accumulators Limited” vide a Fresh Certificate of Incorporation dated March 20, 2018, issued by Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification number of our company is U29100GJ2009PLC057053.

Chetan Sanghvi and Archana Sanghvi were the initial subscriber to the Memorandum of Association of our Company.

Chetan Sanghvi and Bhaumik Sanghvi are the Promoters of our Company. Bhaumik Sanghvi initially acquired the shares of our Company by way of acquisition of 4200 shares on October 16, 2012.

Our Company is engaged in the manufacturing complete range of automotive, tubular and solar batteries. For information on our Company’s profile, activities, services products, market of each segment, capacity built-up, standing of our Company in comparison with prominent competitors with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Our Industry*”, “*Financial Statements as Restated*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 169, 136, 239, 240 and 279 respectively of this Draft Red Herring Prospectus.

### CHANGES IN OUR REGISTERED OFFICE:

Since Incorporation there is no change in the Registered Office of our Company.

### KEY EVENTS AND MILESTONES:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

YEAR	EVENTS
2009	Incorporation of our Company as “Electra Accumulators Private Limited”
2011	Obtained IEC, ISO and CE certifications to gain credibility for the company and product manufacturing
2012	First institutional customer by name of “Hykon India Private Limited” for purchase of UPS & Inverter batteries.
2014	Started first branch in North India for "ELECTRA" supply
2015	<ul style="list-style-type: none"><li>- First full fledged Automization activities carried out in plant for Product development and improvement in terms of New machinery investments</li><li>- Launched “Solar Batteries” successfully in all ranges from 20-200 AH.</li><li>- Launched "E-vehicle" range of batteries</li></ul>



YEAR	EVENTS
2016	<ul style="list-style-type: none"> <li>- Started a new domain of business order EAPL of "SOLAR PROJECT INTEGRATION" and Got awarded first EPC contract for Solar Power generating system from UREDA</li> <li>- Got MNRE and CPRI certifications for Solar batteries</li> </ul>
2017	<ul style="list-style-type: none"> <li>- Got ICAT certification of "E-VEHICLE" batteries</li> <li>- Launched new brand "GEO POWER"</li> <li>- Launched new range of MC BATTERIES in "ELECTRA"</li> </ul>
2018	Conversion of Company from Private Limited to Public Limited

### MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

*To carry on the business of manufacturing, trading, producing, altering, converting, processing, treating, improving, assembling, and to act as agent, broker, distributor, stockiest, importer, exporter, buyer, seller, job worker, convertor consultant, supplier, vendor or otherwise to deal in all types and kinds of plating of automotive plates, automotive batteries, tubular plates, tubular batteries, traction batteries, industrial plates, industrial batteries, Solar Batteries, Solar Chargers, Solar panels, Solar invertors, Solar EPC, Electrical Batteries, Electrical Charges, Motorcycle batteries, Electrical vehicles, Charge Controllers, UPS, sealed maintenance free valve, regulating lead acid and other allied items and to do all such incidental acts and things for the attainment of above objects. To transact the business of Non-Conventional/ Renewable activity or solar activity.*

### AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Since incorporation, the following Changes have been made to our Memorandum of Association

DATE OF AGM / EGM	AMENDMENTS
March 25, 2013	Increase in Authorised Share Capital from Rs. 10,00,000/- consisting of 1,00,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000/- consisting of 20,00,000 Equity shares of Rs. 10/- each
June 14, 2014	<ul style="list-style-type: none"> <li>- Increase in Authorised Share Capital from Rs. 2,00,00,000/- consisting of 20,00,000 Equity Shares of Rs. 10/- each to Rs. 3,00,00,000/- consisting of 30,00,000 Equity shares of Rs. 10/- each.</li> <li>- The object clause of the Memorandum of Association was altered by replacing the existing clause with new clause.</li> </ul>
March 02, 2015	Increase in Authorised Share Capital from Rs. 3,00,00,000/- consisting of 30,00,000 Equity shares of Rs. 10/- each to Rs. 4,00,00,000/- consisting of 40,00,000 Equity shares of Rs. 10/- each.
May 30, 2016	The Ancillary Object clause of the Memorandum of Association was altered by replacing the existing clause with new clause.
February 24, 2018	<ul style="list-style-type: none"> <li>- Increase in Authorised Share Capital from Rs. 4,00,00,000/- consisting of 40,00,000 Equity shares of Rs. 10/- each to Rs. 15,00,00,000/- consisting of 1,50,00,000 Equity Shares of Rs. 10/- each.</li> <li>- The object clause III, sub clause (A) &amp; (B) of the Memorandum of Association altered by replacing the existing clause with new clauses. &amp; sub clause (C) pertaining to other objects was deleted</li> <li>- The name clause I of Memorandum of Association altered on conversion of our Company into Public Company resulting in change of name from Electra</li> </ul>

## **COUNTRY WISE EXPORT SALES**

As on date of Draft Red Herring Prospectus, Our Company does not have any export sales.

## **OUR HOLDING/SUBSIDIARY COMPANY**

Our Company has neither holding nor subsidiary company as on the date of filing of this Draft Red Herring Prospectus.

## **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details in relation to our capital raising activities through equity or debt, please refer to the chapter titled “*Capital Structure*” beginning on page 101 of this Draft Red Herring Prospectus.

## **REVALUATION OF ASSETS**

There has been no revaluation of our assets since its incorporation.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS**

There has been no change in the activities being carried out by our Company in the last five years.

## **INJUNCTIONS OR RESTRAINING ORDERS**

Our Company is not operating under any injunction or restraining order.

## **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY**

Our Company has not merged / amalgamated itself nor has acquired any business / undertaking, since incorporation.

## **SHAREHOLDERS’ AGREEMENTS**

Our Company has not entered into any shareholders’ agreement as on date of filing of this Draft Red Herring Prospectus.

## **OTHER AGREEMENTS**

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on the date of filing of this Draft Red Herring Prospectus.

## **STRIKES AND LOCK-OUTS**

There have been no strikes or lockouts in our Company since incorporation.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## **STRATEGIC PARTNERS**

Our Company does not have any strategic partner(s) as on the date of filing of this Draft Red Herring Prospectus.

## **CONVERSION OF LOANS INTO EQUITY SHARES**

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Draft Red Herring Prospectus.

## **FINANCIAL PARTNERS**

Apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners as on the date of this Draft Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Draft Red Herring Prospectus.

#### **NUMBER OF SHAREHOLDERS**

Our Company has 7 shareholders as on the date of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, Our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has four (4) directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment	Other Directorship
1.	<b>Name:</b> Chetan Sanghvi <b>Age:</b> 56 years <b>Father's Name:</b> Shantilal Sanghvi <b>Designation:</b> Chairman cum Managing Director <b>Address:</b> 501, Hemu Castle, Dadabhai Road, Vile Parle West, Mumbai Maharashtra 400056, India <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> For a period of 3 Years from April 01, 2018 <b>DIN:</b> 00957763	April 01, 2018	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> <ul style="list-style-type: none"> <li>Spectra Battery Industries Private Limited</li> <li>Electra Global Resources Private Limited</li> <li>Sanghvi Trading Private Limited</li> </ul> <b>Limited Liability Partnership</b> Nil <b>Foreign Directorships</b> Nil
2.	<b>Name:</b> Bhaumik Sanghvi <b>Age:</b> 25 years <b>Father's Name:</b> Chetan Sanghvi <b>Designation:</b> Whole-Time Director <b>Address:</b> 501, Hemu Castle, Dadabhai Road, Vile Parle West, Mumbai Maharashtra 400056, India <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> For a period of 3 Years from April 01, 2018 <b>DIN:</b> 06604461	April 01, 2018	<b>Public Limited Company – Nil</b> <b>Private Limited Company</b> <ul style="list-style-type: none"> <li>Spectra Battery Industries Private Limited</li> <li>Electra Global Resources Private Limited</li> </ul> <b>Limited Liability Partnership – Nil</b> <b>Foreign Directorships - Nil</b>
3.	<b>Name:</b> Milan Vinod Chitalia <b>Age:</b> 39 years <b>Father's Name:</b> Vinod Chitalia <b>Designation:</b> Independent Director <b>Address:</b> B-305, Highland Harmony, Mahavir Nagar, Kandivali (West), Mumbai 400067, Maharashtra, India. <b>Occupation:</b> Profession <b>Nationality:</b> Indian <b>Term:</b> Five years w.e.f April 16, 2018 and not liable to retire by	April 16, 2018	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> <ul style="list-style-type: none"> <li>Wealth4u Corporate Law Solutions Private Limited</li> <li>Dabee Technology India Private Limited</li> <li>Connect Edge Solutions Private Limited</li> <li>Job Valley Private Limited</li> <li>Sandbox Technologies Private Limited</li> </ul>

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment	Other Directorship
	rotation DIN:02019612		<ul style="list-style-type: none"> <li>• High Tide Entertainment Private Limited</li> <li>• Wealth 4 U Forex Advisors Private Limited</li> <li>• Wealth4u Accounting Solutions Private Limited</li> <li>• Wealth4u Labour Law Solutions Private Limited</li> <li>• Wealth4u Capital Market Solutions Private Limited</li> </ul> <p><b>Limited Liability Partnership</b></p> <ul style="list-style-type: none"> <li>• MSL Investment Consultants LLP</li> </ul> <p><b>Foreign Directorships – Nil</b></p>
4.	<p><b>Name:</b> Kruti Shah  <b>Age:</b> 31 years  <b>Father's Name:</b> - Ranjit Shah  <b>Designation:</b> Independent Director  <b>Address:</b> 102, Raj Margaret Villa CHS Ltd., I C Colony, Near Corporation Bank, Borivali West, Mumbai – 400 103.  <b>Occupation:</b> Profession  <b>Nationality:</b> Indian  <b>Term:</b> Five years w.e.f April 16, 2018 and not liable to retire by rotation  <b>DIN:</b> 06789987</p>	April 16, 2018	<p><b>Public Limited Company</b> Nil</p> <p><b>Private Limited Company</b> Nil</p> <p><b>Limited Liability Partnership:</b> Nil</p> <p><b>Foreign Directorships - Nil</b></p>

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

### Chetan Sanghvi, Promoter, Chairman cum Managing Director

Chetan Sanghvi, aged 56 years, is the Promoter, Chairman and Managing Director of our Company. He has been on our board since incorporation has been designated as Chairman cum Managing Director w.e.f. April 1, 2018. He is the founder of our Company. He has been appointed as President of 'Indian Battery and Accessories Industries Welfare Association' from the year 2014 to 2019. He looks after Strategic Planning, Sales & Marketing, Business Development and Team Management.

### Bhaumik Sanghvi, Promoter, Whole-Time Director and Chief Financial Officer

Bhaumik Sanghvi, about 25 years, is the Promoter, Whole Time Director and Chief Financial Officer of our Company. He was appointed as Non-Executive Director since June 10, 2013 and has been designated as Whole Time Director w.e.f. April 1, 2018. He holds a degree in Bachelor of Business Administration from Narsee Monjee Institute of Management Studies. He oversees the entire functioning of Electra ranging from Purchase, Production, R&D, Quality, Finance and Sales.

### Kruti Shah, Independent Director

Kruti Shah, aged 31 years, is an Independent Director of our company. She has been appointed as an Independent Director of our company w.e.f April 16, 2018. She is an associate member of Institute of Chartered Accountant of India. Currently she is partner at NPV & Associates, Chartered Accountants.

#### **Milan Chitalia, Independent Director**

Milan Chitalia, aged 39 years, is an Independent Director of our company. He has been appointed as an Independent Director of our company w.e.f April 16, 2018. He is an associate member of Institute of Chartered Accountant of India. Currently he is also the Partner at NPV & Associates.

### **CONFIRMATIONS**

As on the date of this Draft Red Herring Prospectus:

1. Except as mentioned below, none of the other Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

<b>Director</b>	<b>Other Director</b>	<b>Relationship</b>
Chetan Sanghvi	Bhaumik Sanghvi	Father-Son
Bhaumik Sanghvi	Chetan Sanghvi	Son-Father

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. None of our Directors are or were directors of any listed company whose shares were listed from the stock exchanges during the term of their directorship in such companies.
6. Except below given details for Milan Chitalia, Independent Director of our Company, none of our Directors are or were directors of any company whose shares were suspended from trading by stock exchange(s) from the stock exchanges during the last five years from filing of the Draft Red Herring Prospectus:

<b>Particulars</b>	<b>Details</b>
Name of the Company	Anukaran Commercial Enterprises Limited
Listed on which stock exchange	BSE Limited
Date of suspension on stock exchange	January 07, 2015
Suspended for more than three months	Based on details available on BSE website, company continued to be suspended as on date
- If yes, reasons for suspension	Based on details available on BSE website, Company is suspended due to Surveillance Measure
Whether suspension revoked	Based on details available on BSE website, company continued to be suspended as on date.
Term (along with relevant dates) of Directors in the above company	Appointed: February 01, 2011 Resigned : December 31, 2012 (Above details are extracted from MCA portal)

*Please note that Milan Chitalia had resigned from the abovementioned company in the year 2012 whereas the company got suspended in the year 2015.*

7. None of the Promoter, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

#### **REMUNERATION/COMPENSATION PAID TO DIRECTORS**

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2018.

<b>Name of the Directors</b>	<b>Amount (in Lakhs)</b>
Chetan Sanghvi	9.00
Bhaumik Sanghvi	9.00

#### **Compensation to our Managing Director and Whole Time Director**

The compensation payable to our Managing Director and Whole Time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and Articles of Association of the Company.

#### **Terms and conditions of employment of our Director:**

##### **1. Chetan Bhaumik , Promoter, Chairman and Managing Director**

Chetan Sanghvi, aged 56 years, is the Promoter, Chairman and Managing Director of our Company. He has been on our board since incorporation and has been designated as Chairman cum Managing Director w.e.f. April 1, 2018 for the period of three years. The terms and conditions of his employment are as follows:

<b>Remuneration</b>	Rs. 15.00 Lakhs per annum
<b>Term of appointment</b>	3 Years & liable to retire by rotation
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>• Company to provide rent free partially furnished, air conditioned residential accommodation with telephone, gas and electricity.</li> <li>• Medical aid benefits for self and family as applicable to the Officers of the Company as per Company Policy.</li> <li>• Free use of company car and fuel expenses for use on the company business as well as for own use. If car is leased from an external agency, lease rental and fuel expenses will be paid as per rules of the Company. Reimbursement of salary of driver as per rules of the Company.</li> <li>• Company to pay the premium for the Personal Accident Insurance Policy as per the policy of the company.</li> <li>• Company to pay fees for one club (including admission or entrance fees and monthly or annual subscriptions)</li> <li>• Reimbursement of actual traveling and entertainment expenses incurred on behalf of the Company, subject to the ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.</li> <li>• Reimbursement of expenses on mobile phone and landline phone at residence as per the rules of the company.</li> </ul> <p>Retirement Benefits:</p> <ul style="list-style-type: none"> <li>• The company shall contribute towards Provident Fund/Superannuation Fund/Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under Income tax Act.</li> </ul>

	<ul style="list-style-type: none"> <li>• Gratuity and/or contribution to the Gratuity Fund of company shall as per the policy of the company.</li> </ul> <p>Subject to overall ceiling on remuneration, the managing director may be given other allowances, benefits and perquisites, as may be decided by the board of directors from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual basic salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.</p>
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## 2. Bhaumik Sanghvi

Bhaumik Sanghvi, aged 25 years, is the Promoter, Whole Time Director and Chief Financial Officer of our Company. He has been appointed as Non-Executive Director since June 10, 2013 and re-designated as Whole Time Director w.e.f. April 1, 2018 for the period of three years. The terms and condition of his employment are as follows:

Remuneration	Rs. 12.00 Lakh per annum
Term of appointment	3 Years & liable to retire by rotation
Perquisites	<ul style="list-style-type: none"> <li>• Company to provide rent free partially furnished, air conditioned residential accommodation with telephone, gas and electricity.</li> <li>• Medical aid benefits for self and family as applicable to the Officers of the Company as per Company Policy.</li> <li>• Free use of company car and fuel expenses for use on the company business as well as for own use. If car is leased from an external agency, lease rental and fuel expenses will be paid as per rules of the Company. Reimbursement of salary of driver as per rules of the Company.</li> <li>• Company to pay the premium for the Personal Accident Insurance Policy as per the policy of the company.</li> <li>• Company to pay fees for one club (including admission or entrance fees and monthly or annual subscriptions)</li> <li>• Reimbursement of actual traveling and entertainment expenses incurred on behalf of the Company, subject to the ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.</li> <li>• Reimbursement of expenses on mobile phone and landline phone at residence as per the rules of the company.</li> </ul> <p>Retirement Benefits:</p> <ul style="list-style-type: none"> <li>• The company shall contribute towards Provident Fund/Superannuation Fund/Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under Income tax Act.</li> <li>• Gratuity and/or contribution to the Gratuity Fund of company shall as per the policy of the company.</li> </ul> <p>Subject to overall ceiling on remuneration, the managing director may be given other allowances, benefits and perquisites, as may be decided by the board of directors from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual basic salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.</p>



**Terms and conditions of employment of our Independent Directors and Non-Executive Directors**

Non-Executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

**OTHER CONFIRMATIONS**

As on the date on this Draft Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director pursuant to bonus or profit sharing plan.

**SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our company

The following table details the shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Chetan Sanghvi	43,54,900	56.96%	[●]
2.	Bhaumik Sanghvi	32,47,640	42.48%	[●]

**INTERESTS OF DIRECTORS****Interest in promotion of our Company**

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “Related Party Transactions” beginning on page 237 of this Draft Red Herring Prospectus.

**Interest in the property of our Company**

Except as stated/referred to in the heading titled “*Land and Properties*” under the chapter titled “*Our Business*” beginning on page 169 and chapter titled “*Related Party Transaction*” on page 237 of the Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our Directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Land and Properties*” under the chapter titled “*Our Business*” beginning on page 169 of the Draft Red Herring Prospectus.

**Interest as member of our Company**

As on date of this Draft Red Herring Prospectus, our Directors together hold 76,02,540 Equity Shares in our Company i.e. 99.44% of the pre issue paid up share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared and other distributions, if any, by our Company.

**Interest as a Creditor of our Company**

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “Financial Indebtedness” and heading titled “Related Party Transactions” under chapter titled “Financial Statements as Restated” our Company has not availed loans from Directors of our Company.

#### **Interest as Director of our Company**

Except as stated above and in the chapters titled “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 239 and 101 respectively of this Draft Red Herring Prospectus our Directors, may deemed to be interested to the extent of remuneration, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

#### **Interest as Key Managerial Personnel of our Company**

Chetan Sanghvi, Promoter, Chairman cum Managing Director and Bhaumik Sanghvi, Promoter, Whole-Time Director and Chief Financial Officer of the Company are the Key Managerial Personnel of the Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 239 of this Draft Red Herring Prospectus.

#### **Interest in transactions involving acquisition of land**

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to under the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 169 of this Draft Red Herring Prospectus, our Promoters has not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Promoters are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

#### **Other Indirect Interest**

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 239 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

#### **Interest in the Business of Our Company**

Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 239 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

## SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any Subsidiary or Associate Company as on date of filing of this Draft Red Herring Prospectus.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Draft Red Herring Prospectus:

Name	Date of event	Nature of event	Reason
Archana Sanghvi	February 7, 2018	Appointment	Appointed as Additional Director
Archana Sanghvi	February 24, 2018	Change in designation	Regularisation as Non-Executive Director
Chetan Sanghvi	April 01, 2018	Change in designation	Designated as Managing Director
Bhaumik Sanghvi	April 01, 2018	Change in designation	Designated as Whole Time Director
Kruti Shah	April 16, 2018	Appointment	Appointment as Independent Director
Milan Chitalia	April 16, 2018	Appointment	Appointment as Independent Director
Archana Sanghvi	April 20, 2018	Resignation	Resignation from Non-Executive Director

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on September 11, 2017 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs. 20,000 Lakhs notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

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

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, there are 4 Directors on our Board out of which half of them are Independent Directors i.e. 2 (Two). The constitution of our Board is in compliance with the requirements of section 149 of the Companies Act, 2013.

**The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.**

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibilities Committee.

**A) Audit Committee**

Our Company has constituted an audit committee ("**Audit Committee**"), as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on April 20, 2018.

The terms of reference of Audit Committee complies with the requirements of the Companies Act, 2013. The committee presently comprises the following three (3) directors:

Name of the Directors	Status	Nature of Directorship
Milan Chitalia	Chairman	Independent Director
Kruti Shah	Member	Independent Director
Bhaumik Sanghvi	Member	Whole-Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers/responsibilities:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

- (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions;
  - (vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
  6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  14. Discussion with internal auditors any significant findings and follow up there on.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
  19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
  20. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
  21. To investigate any other matters referred to by the Board of Directors;
  22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

### **Meeting of Audit Committee and relevant Quorum**

- (a) The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.

- (b) The quorum for audit committee meeting shall either two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

## **B) Stakeholder's Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on April 20, 2018.

The Stakeholders' Relationship Committee comprises the following Directors:

<b>Name of the Directors</b>	<b>Status</b>	<b>Nature of Directorship</b>
Kruti Shah	Chairperson	Independent Director
Milan Chitalia	Member	Independent Director
Chetan Sanghvi	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  1. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures.
  2. Redressal of security holders'/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
  3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
  4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
  5. Allotment and listing of shares;
  6. Reference to statutory and regulatory authorities regarding investor grievances; and
  7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
  8. Any other power specifically assigned by the Board of Directors of the Company

## **C) Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on April 20, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Kruti Shah	Chairperson	Independent Director
Milan Chitalia	Member	Independent Director
Chetan Sanghvi	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven days' notice in advance.
- C. Terms of Reference:**
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
  - Formulation of criteria for evaluation of independent directors and the Board;
  - To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

#### **D) Corporate Social Responsibility Committee:**

Our Company has constituted a Corporate and Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The constitution of the Corporate and Social Responsibility Committee was approved by a Meeting of the Board of Directors held on April 16, 2018. The said Committee is comprised as follows:

Name of the Directors	Status	Nature of Directorship
Chetan Sanghvi	Chairman	Managing Director
Bhaumik Sanghvi	Member	Whole Time Director
Kruti Shah	Member	Independent Director

The terms of reference of the Committee shall include the following:

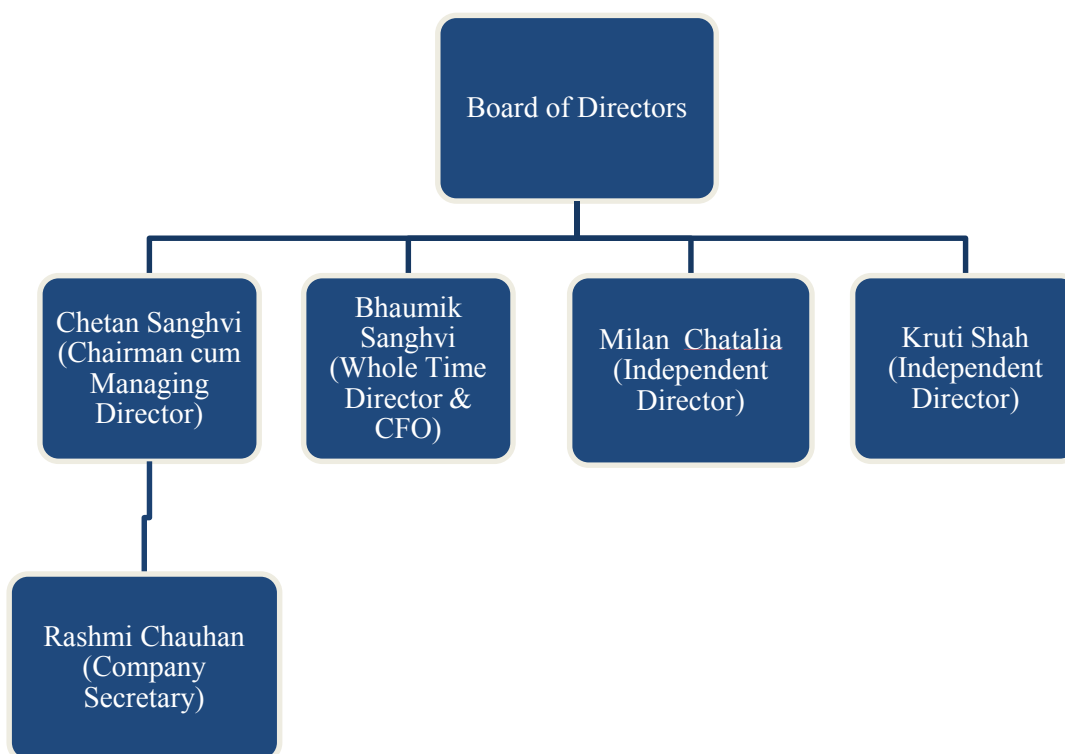
- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).
- All other activities as informed or delegated by the Board of Directors from time to time.

#### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on SME platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges

**Rashmi Mohan Chauhan**, Company Secretary & Compliance Officer, will be responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## ORGANISATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Set forth below are the details of our Key Management Personnel as prescribed under the Companies Act 2013, in addition to Mr. Chetan Sanghvi, our Chairman and Managing Director and Mr. Bhaumik Sanghvi, Whole Time Director and CFO as on the date of filing of this Draft Red Herring Prospectus. For details of Mr. Chetan Sanghvi and Mr. Bhaumik Sanghvi, see “– Brief Profile of our Directors” on page 211

### **Rashmi Chauhan, Company Secretary**

Rashmi Mohan Chauhan, about 27 years is the Company Secretary and Compliance Officer of our Company. She is appointed as Company Secretary & Compliance Officer of our Company w.e.f. April



01, 2018. She is an associate member of Institute of Company Secretaries of India bearing Membership number ACS 43297. She also holds the Bachelor's degree in Accounting and Finance from Mumbai University and Bachelor's in Law from Mumbai University. She looks after secretarial affairs of our Company. In the past, she had worked with PFS Shipping Limited as Executive – Legal & Secretarial". Since she was appointed on April 1, 2018, therefore no remuneration has been paid to her during Financial Year 2017-18.

#### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013 except the following disclosure:

<b>Name of the Key Managerial Personnel</b>	<b>Name of the Key Managerial Personnel</b>	<b>Relationship</b>
Chetan Sanghvi	Bhaumik Sanghvi	Father-Son
Bhaumik Sanghvi	Chetan Sanghvi	Son-Father

#### **RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of our Directors of the Company are related to the Key Managerial Personnel within the meaning of section 2(77) of the Companies Act, 2013:

<b>Director / Promoter</b>	<b>Key Managerial Personnel</b>	<b>Relationship</b>
Chetan Sanghvi	Bhaumik Sanghvi	Father-Son
Bhaumik Sanghvi	Chetan Sanghvi	Son-Father

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as mentioned below, none of our Key Managerial Personnel holds any Equity shares of our company as on the date of this Draft Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Key Managerial Personnel</b>	<b>No. of Equity Shares</b>	<b>% of Pre Issue Equity Share Capital</b>	<b>% of Post Issue Equity Share Capital</b>
1.	Chetan Sanghvi	43,54,900	56.96	[●]
2.	Bhaumik Sanghvi	32,47,640	42.48	[●]

#### **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL**

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

Our company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus.

## INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Draft Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 211 and 237 respectively of this Draft Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

## CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

NAME	DATE OF EVENT	NATURE OF EVENT	REASON
Chetan Sanghvi	April 01, 2018	Change in designation	Designated as Chairman and Managing Director
Bhaumik Sanghvi	April 01, 2018	Change in designation	Designated as Whole Time Director and Chief Financial Officer
Rashmi Chauhan	April 01, 2018	Appointment	Appointed as Company Secretary & Compliance Officer

## ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

## PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)


Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 239 of this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

Our Company is promoted by Chetan Sanghvi and Bhaumik Sanghvi. As on date of this Draft Red Herring Prospectus, our promoters hold, in aggregate 76,02,540 Equity Shares representing 99.44% of the pre-issue paid up Equity Share Capital of our Company.

### Brief profile of our Promoter is as under:

	<p><b>Chetan Sanghvi, Promoter, Chairman &amp; Managing Director</b></p> <p>Chetan Sanghvi, aged 56 years, is the Promoter, Chairman and Managing Director of our Company. He has been on our board since incorporation has been designated as Chairman cum Managing Director w.e.f. April 1, 2018. He is the founder of our Company. He has been appointed as President of 'Indian Battery and Accessories Industries Welfare Association' from the year 2014 to 2019. He looks after Strategic Planning, Sales &amp; Marketing, Business Development and Team Management.</p> <p><b>Nationality:</b> Indian <b>PAN No.:</b> AAPPS9415G <b>Passport No:</b> Z2203183 <b>Driving License:</b> MH02 20070009473 <b>Voters ID:</b> AMD3341070</p> <p><b>Address:</b> 501, Hemu Castle, Dadabhai Road, Vile Parle West, Mumbai 400056, Maharashtra, India.</p> <p><b>Other Firms and ventures promoted by Chetan Sanghvi:</b></p> <ol style="list-style-type: none"><li>1. Electra Global Resources Private Limited</li><li>2. Sanghvi Trading Private Limited</li><li>3. Spectra Battery Industries Private Limited</li><li>4. M/s. Swastik Battery Industries</li><li>5. M/s. Electra Battery Plate Manufacturing Co.</li><li>6. Chetan Sanghvi HUF</li></ol> <p>For further details relating to Chetan Sanghvi, including terms of appointment as our Chairman and Managing Director, other directorships, please refer to the chapter titled "<i>Our Management</i>" beginning on page 211 of this Draft Red Herring Prospectus.</p>
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	<b>Bhaumik Sanghvi, Promoter, Whole-time Director &amp; CFO</b>
	<p>Bhaumik Sanghvi, aged 25 years, is the Promoter, Whole Time Director &amp; CFO of our Company. He has been on the Board since 2013 and has been designated as Whole Time Director and Chief Financial Officer w.e.f. April 1, 2018. He holds a degree in Bachelor of Business Administration from Narsee Monjee Institute of Management Studies. He oversees the entire functioning of Electra ranging from Purchase, Production, R&amp;D, Quality, Finance and Sales.</p> <p><b>Nationality:</b> Indian  <b>PAN No.:</b> DIAPS9756Q  <b>Passport No:</b> K5385316  <b>Driving License:</b> MH02 20120009127  <b>Voters ID:</b> Not Available</p> <p><b>Address:</b> 501, Hemu Castle, Dadabhai Road, Vile Parle West, Mumbai 400056, Maharashtra, India.</p> <p><b>Other Firms and ventures promoted by Bhaumik Sanghvi:</b></p> <ol style="list-style-type: none"> <li>1. Electra Global Resources Private Limited</li> <li>2. M/s. Swastik Battery Industries</li> </ol> <p>For further details relating to Bhaumik Sanghvi, including terms of appointment as our Whole-time Director and CFO, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 211 of this Draft Red Herring Prospectus.</p>

## DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Draft Red-herring Prospectus with it.

## INTEREST OF PROMOTERS

Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi are interested in our Company to the extent that they promoted and formed our Company and are interested to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our promoters in our Company, please refer “*Capital Structure*” beginning on page 101 of this Draft Red Herring Prospectus.

Further, our Promoters Chetan Sanghvi and Bhaumik Sanghvi have extended unsecured loans to our Company and the aggregate amount outstanding towards such loans as on July 15, 2018 was Rs. 359.05 lakhs, as certified by our auditor vide certificate dated July 21, 2018. Therefore, our promoters are interested to the extent of such loans extended by them. For details regarding loans availed by our company from promoters, refer chapter titled “*Financial Indebtedness*” beginning on page 257 of this Draft Red Herring Prospectus.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding/ interest in our group company /or ventures promoted by them with which our Company transacts during the course of its operations.

Our Promoters are Directors and KMPs of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013 and in terms of the agreements entered into with our company, if any and Articles of Association of our Company. For details please refer “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 211, 239 and 101 respectively of this Draft Red Herring Prospectus.

Except as mentioned in the chapter titled “*Our Business*”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in this section and “*Related Party Transactions*” and “*Our Management*” on page 237 and 211 of this Draft Red Herring Prospectus respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

#### **OTHER VENTURES OF OUR PROMOTERS**

Save and except as disclosed in this chapter and chapter titled “*Group Companies*” beginning on page 231 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

#### **RELATED PARTY TRANSACTIONS**

For the transactions with our Promoters, Promoter Group and Group Companies, please refer to chapter titled “*Related Party Transactions*” on page 237 of this Draft Red Herring Prospectus.

Except as stated in “*Related Party Transactions*” beginning on page 237 of this Draft Red Herring Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

#### **PAYMENT OR BENEFITS TO PROMOTERS**

Except as stated in the chapter titled “*Related Party Transactions*” on page 237 of this Draft Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

##### **A. Natural Persons forming part of the Promoter Group:**

<b>Relationship with Promoters</b>	<b>Chetan Sanghvi</b>	<b>Bhaumik Sanghvi</b>
Father	-	Chetan Sanghvi
Mother	-	Archana Sanghvi
Wife	Archana Sanghvi	-
Sister(s)	Bhavna Shantilal Sanghavi	Avani Sanghvi
	Bharti Goradia	
Brother	Sharad Sanghvi	-

Relationship with Promoters	Chetan Sanghvi	Bhaumik Sanghvi
Son	Bhaumik Sanghvi	-
Daughter	Avani Sanghvi	-
Spouse's Father	Kanubhai Vora	-
Spouse's Mother	Hansa Vora	-
Spouse's Brother(s)	Devang Vora	-
Spouse's Sister(s)	Nita Sanghavi	-
	Sonal Mehta	
	Bina Mehta*	

**\*Disassociation of certain immediate relatives from Promoter Group by Promoters:**

Our Company has issued letter dated July 07, 2018 to Bina Mehta, relative of our Individual Promoter, Chetan Sanghvi, asking her details of entity(ies) in which she may have an interest. Our Company has sent a letter to each relative demanding their personal documents for identification of promoter group. However, till the date of filing of this Draft Red Herring Prospectus, we have not received any reply from Bina Mehta. Therefore, the disclosure made in this Draft Red Herring Prospectus related to Bina Mehta is limited to the extent of information that has been made available by our Promoters.

**B. Companies, firms, proprietorships and HUFs which forms part of our Promoter Group are as follows:**

1. Electra Global Resources Private Limited
2. Sanghvi Trading Private Limited.
3. Spectra Battery Industries Private Limited
4. Shree Dungar Utkarsh Samaj (A Section 8 Company)
5. Fidelis Infin Private Limited
6. M/s. Swastik Battery Industries
7. M/s. Electra Battery Plate Manufacturing Co
8. M/s. Automotive Enterprise
9. Sanghvi Enterprises- Proprietary concern of Chetan S Sanghvi HUF
10. S P Power Product-Proprietary concern of Sharad Sanghvi
11. Krishna Marketing Agency- Proprietary concern of Devang Vora
12. Swift Energy- Proprietary concern of Nita Sanghvi
13. Chetan S Sanghvi HUF

**RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS**

Except as disclosed herein, our Promoters are not related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013:

Director	Other Director	Relation
Chetan Sanghvi	Bhaumik Sanghvi	Father-Son
Bhaumik Sanghvi	Chetan Sanghvi	Son-Father

**DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR**

Our Promoters have not disassociated themselves from any entities/firms during preceding three year of the Draft Red Herring Prospectus.

**CHANGES IN CONTROL**

There has been no change in the management or control of our Company in the last three years.

**LITIGATION INVOLVING OUR PROMOTERS**

For details of legal and regulatory proceedings involving our Promoters, please refer “*Outstanding Litigation and Material Developments*” on page 267 of this Draft Red Herring Prospectus.

## **CONFIRMATIONS**

Our Company, our Promoters and members of promoter group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “*Related Party Transactions*” on page 237 of this Draft Red Herring Prospectus, our Promoters are not related to any of the sundry debtors nor are the beneficiaries of Loans and Advances given by/to our Company.

## **OTHER VENTURES OF OUR PROMOTERS**

Save and except as disclosed in this chapter and chapter titled “*Our Group Companies*” beginning on page 231, of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoter in which they have any business interests / other interests.

## OUR GROUP COMPANY

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of ‘Group Companies’, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and other companies as per the policy adopted by our Board. Pursuant to a resolution dated July 19, 2018 our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature. Further companies which have not been disclosed as related parties in the restated financial statements of our company for the last five financial years and which are no longer associated with our company have not been disclosed as group companies. Accordingly, in terms of the above policy adopted by our Board for determining group companies, we have set out below the details of our Group Company.

### OUR GROUP COMPANIES:

The details of our Group Companies are provided below:

#### Listed Companies within our Group Companies:

There is no listed Company in our Group Companies

#### Unlisted Companies within our Group Companies:

##### 1. Electra Global Resources Private Limited (“EGRPL”)

#### Corporate Information:

Electra Global Resources Private Limited was originally incorporated in the name and style of “Priti International Private Limited” vide Certificate of Incorporation dated July 17, 1995 issued by Additional Registrar of Companies, Maharashtra, bearing Registration Number 11-090662 under the provisions of Companies Act, 1956. Pursuant to the special resolution passed at the Extra Ordinary General Meeting dated December 22, 2014, the name of the Company was changed to “Electra Global Resources Private Limited” vide Certificate of Incorporation dated January 12, 2015 issued by Deputy Registrar of Companies, Mumbai, bearing Corporate Identification Number U51900MH1995PTC090662.

The registered office of EGRPL is situated at A/33 Old Nagardas Road, Behind Dhobighat, Andheri (East), Mumbai- 400069, Maharashtra, India. The Corporate Identification Number is U51900MH1995PTC090662. The current authorised capital is Rs. 300.00 Lakhs and Paid up Share Capital is Rs. 276.05 Lakhs.

#### Board of Directors of EGRPL as on the date of this Draft Red Herring Prospectus:

1. Chetan Sanghvi
2. Bhaumik Sanghvi

#### Main Object of EGRPL:

To carry on business of manufacturing, trading, producing, altering, converting, processing, treating, improving, assembling, and to act as agent, broker, distributor, stockiest, importer, exporter, buyer, seller, jobworker, convertor, supplier, vendor or otherwise to deal in all types and kinds of plating of automotive plates, automotive batteries, tubular plates, tubular batteries, traction batteries, industrial plates, industrial batteries, motor cycle batteries, solar batteries, sealed maintenances free, valve regulating lead acid, leads and other allied items and to do all such incidental acts and things for the attainment of above subjects.



**Nature and Extent of Interest of Promoters:**

- i. Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi hold 21,65,444 and 4,79,556 Equity Shares of Rs. 10/- each respectively, aggregating to 95.81 % of the total issued and paid up capital of EGRPL.
- ii. Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi are also Directors in EGRPL and may be interested in EGRPL to that extent.

**Financial Information:***(Amounts Rs. In Lakhs except per share figures)*

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Paid Up Capital	276.05	276.05	48.55
Reserves & Surplus (excluding revaluation reserves)	36.92	32.22	6.83
Total Revenue	2,997.43	1,635.87	1.30
Profit/Loss after tax	4.71	2.64	0.49
Earnings per share (Basic and Diluted)	0.17	0.10	0.10
Net Worth	312.97	308.27	55.38
Net Asset Value	11.34	11.17	11.41

## 2. Sanghvi Trading Private Limited (“STPL”)

### Corporate Information:

Sanghvi Trading Private Limited was incorporated on February 10, 2009 vide Certification of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai under the provisions of Companies Act, 1956. Its registered office is situated at Gala No. A/33, Vidhya Vella Comp, Above Hindustan Motors, Behind Dhobi Ghat, Old Nagardas Road, Andheri (East), Mumbai-400056, Maharashtra, India. The Corporate Identification Number is U51109MH2009PTC190226.

The current authorised capital is Rs. 1.00 Lakh and Paid up Share Capital is Rs. 1.00 Lakh.

### Board of Directors of STPL as on the date of this Draft Red Herring Prospectus:

1. Chetan Sanghvi
2. Archana Sanghvi

### Main Objects of STPL:

To carry on Business of Trading in Cell Batteries, Maintenance Free Battery, Car Batteries, and Battery BP Containers. No money circulating scheme shall be carried on by the company.

### Nature and Extent of Interest of Promoters:

- i. Our Promoter, Chetan Sanghvi holds 5,000 equity shares, constituting 50.00% of the total equity paid up capital of STPL.
- ii. Our promoter, Chetan Sanghvi is also a Director of Sanghvi Trading and may be interested in STPL to that extent.

### Financial Information:

*(Amount Rs. In lakhs except per share figures)*

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(10.67)	(11.59)	(11.38)
Total Revenue	4.63	2.41	10.94
Profit/Loss after tax	0.92	(0.22)	(1.19)
Earnings per share (Basic and Diluted)	9.18	(2.15)	(11.93)
Net Worth	(9.67)	(10.59)	(10.38)
Net Asset Value	(96.75)	(105.93)	(103.77)

### 3. Spectra Battery Industries Private Limited ("SBIPL")

#### Corporate Information:

Spectra Battery Industries Private Limited was incorporated on July 14, 1995 vide Certificate of Incorporation issued by Additional Registrar of Companies, Maharashtra, bearing Registration No.11-90616 under provisions of Companies Act, 1956. Its registered office is situated at A/33, Vidhya Vella, Old Nagardas Road, behind Dhobighat, Andheri (East) Mumbai- 400069, Maharashtra, India. The Corporate Identification Number is U31109MH1995PTC090616.

The current authorised capital is Rs. 20.00 Lakhs and Paid up Share Capital is Rs. 1.00 Lakh.

#### Board of Directors of SBIPL as on the date of this Draft Red Herring Prospectus:

1. Chetan Sanghvi
2. Bhaumik Sanghvi

#### Main Objects of SBIPL:

To carry on the business of manufacturing Cell Batteries, Maintenance Free Battery, Car batteries and Battery BP Container.

#### Nature and Extent of Interest of Promoters:

- i. Our Promoter, Chetan Sanghvi holds 9,800 equity shares, constituting 98.00% of the total equity paid up capital of SBIPL.
- ii. Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi are also Directors in SBIPL and may be interested in SBIPL to that extent.

#### Financial Information:

*(Amount Rs. in Lakhs except per share figures)*

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(37.89)	(39.11)	(36.25)
Total Revenue	7.83	1.75	1.41
Profit/Loss after tax	1.22	(2.86)	9.65
Earnings per share (Basic and Diluted)	12.16	(28.64)	96.47
Net Worth	(36.89)	(38.11)	(35.25)
Net Asset Value	(368.93)	(381.10)	(352.46)

#### CONFIRMATION

None of the securities of our Group Companies are listed on any stock exchange. None of our Group Companies have made any public or rights issue of securities in the preceding three years.

Our Group Companies has not been declared as wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Companies have not been declared sick companies under the SICA. Additionally, Group Companies have not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

#### **LITIGATION**

For details on litigations, regulatory proceedings and disputes pending against the Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 267 of this Draft Red Herring Prospectus.

#### **DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any of the Companies during the last three years proceeding the date of Draft Red Herring Prospectus.

#### **COMPANIES WITH NEGATIVE NET WORTH**

Except Sanghvi Trading Private Limited and Spectra Battery Industries Private Limited, none of our Group Companies have negative net worth as on the date of their respective last audited financial statements.

#### **DEFUNCT / STRUCK-OFF COMPANY**

None of our Group Companies has become defunct or struck – off in the five years preceding the filing of Draft Red Herring Prospectus.

#### **INTEREST OF OUR PROMOTER AND GROUP COMPANIES**

##### **Interest in the promotion of our Company**

Our Group Companies are interested to the extent of their shareholding of Equity Shares, from time to time, for which they are entitled to receive the dividend declared, if any, by our Company. Our Individual Promoters may also benefit from holding directorship in our Company.

##### **Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus**

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of Draft Red Herring Prospectus or proposed to be acquired by it.

##### **Interest in the transactions for acquisition of land, construction of building and supply of machinery.**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

#### **COMMON PURSUITS**

Our Group Companies Electra Global Resources Private Limited, Sanghvi Trading Private Limited and Spectra Battery Industries Private Limited are having common pursuits with our company as they are authorised to carry on similar activities as those conducted by our company. These entities do not have any non-compete agreements in place amongst themselves. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises.

#### **SALES/PURCHASES BETWEEN OUR COMPANY & GROUP COMPANIES**

Other than as disclosed in the chapter titled “Related Party Transactions” on page 237 of Draft Red Herring Prospectus, there are no sales / purchases between the our Company and the Group Companies.

#### **PAYMENT OR BENEFIT TO OUR GROUP COMPANIES**

Except as stated in chapter titled “*Related Party Transactions*” beginning on page 237 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Group Companies for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 nor is any benefit proposed to be paid to them.

#### **BUSINESS INTEREST OF GROUP COMPANIES IN OUR COMPANY**

Other than as stated above and as mentioned in the chapter titled “ Related Party Transactions” on page 237 of this Draft Red Herring Prospectus, none of our Group Company has any business interest in our Company.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXXVI of restated financial statement under the section titled, “Financial Statements as restated” beginning on page 239 of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years till March 31, 2018.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

**SECTION V- FINANCIAL STATEMENTS**  
**FINANCIAL STATMENTS AS RESTATED**

<b>Particulars</b>	<b>Page No.</b>
Restated Standalone Financials Statements	F1 to F 41



# Anil Bansal & Associates

## CHARTERED ACCOUNTANTS

1001, IJMIMA Complex,  
Raheja's Metroplex,  
Near Infinity Mall-II,  
Link Road, Malad (West),  
Mumbai - 400064.  
Phone : 67098000/01  
e-mail : anilbansal1001@gmail.com

### SECTION V - FINANCIAL INFORMATION

#### INDEPENDENT AUDITORS REPORT

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies  
(Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
Electra Accumulators Limited,  
Office No. 33-A,  
Vidya Villa Compound,  
Old Nagardas Road,  
Andheri (East),  
Mumbai - 400069

Dear Sir,

#### 1. Report on Restated Financial Statements

We have examined the Restated Financial Statements of M/s Electra Accumulators Limited (hereinafter referred as "the Company"), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the "Act") and
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulation") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
  - iii) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the DRHP/RHP/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on BSE SME ("IPO" or "SME IPO");
  - iv) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ("ICAI"); and
  - v) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We Anil Bansal & Associates, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the "Peer Review Board" of the ICAI.
2. The Restated Summary Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the financial year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and which have been approved by the Board of Directors.
3. Financial Statements for the financial year ended on March 31, 2018, March 31, 2017 March 31, 2016 March 31, 2015 has been audited by Anil Bansal & Associates, Chartered Accountants & March 31, 2014 has been audited by Bharat Kanakia & Associates, Chartered Accountants and accordingly reliance has been placed on



the financial information examined by us for the said Years. The Financial Report included for these years is based solely on the report submitted by them.

#### 4. Financial Information as per Audited Financial Statements:

##### 1. We have examined:

- a) The attached Restated Statement of Assets and Liabilities of the company, as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 (Annexure I);
- b) The attached Restated Statement of Profits and Losses of the Company year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 (Annexure II);
- c) The attached Restated Statement of Cash Flows of the Company for the year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 (Annexure III);

The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as "**Restated Financial Statements**" or "**Restated Summary Statements**")

##### 2. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:

- (i) The "**Restated Statement of Assets and Liabilities**" as set out in **Annexure I** to this report, of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (ii) The "**Restated Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the Years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. Further we are of the opinion that "**Restated Financial Statements**" or "**Restated Summary Statements**" have been made after incorporating:

- a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and





- b) There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c) Adjustments on account of the statutory audit qualifications, if any, have been given effect and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis, in the Restated Financial statements.
- e) There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements" except mentioned in clause d) above.
- f) There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- g) The Company has not paid any dividend on its equity shares till March 31, 2018.

#### 5. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the Years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014.

#### Annexure of Restated Financial Statements of the Company:-

Restated Summary Statement of Assets and Liabilities	ANNEXURE I
Restated Summary Statement of Profit and Loss	ANNEXURE II
Restated Summary Statement of Cash Flow	ANNEXURE III
Notes on Material Adjustments to the Restated Financial Statements	ANNEXURE IVA
Notes on emphasis of Matters to the Restated Financial Statements	ANNEXURE IVB
Notes on Material Regrouping to the Restated Financial Statements	ANNEXURE IVC
Restated Significant Accounting Policies and Notes to Accounts	ANNEXURE IV
Restated Statement of Share Capital	ANNEXURE V
Restated Statement of Reserves and Surplus	ANNEXURE VI
Restated Statement of Long Term Borrowings	ANNEXURE VII
Restated Statement of Deferred Tax Liabilities	ANNEXURE VIII
Restated Statement of Long Term Provisions	ANNEXURE IX
Restated Statement of Other Long Term Liability	ANNEXURE X
Restated Statement of Short Term Borrowings	ANNEXURE XI
Restated Statement of Trade Payables	ANNEXURE XII
Restated Statement of Other Current Liabilities	ANNEXURE XIII
Restated Statement of Short Term Provisions	ANNEXURE XIV
Restated Statement of Fixed Assets	ANNEXURE XV
Restated Statement of Non-Current Investments	ANNEXURE XVI
Restated Statement of Long Term Loans & Advances	ANNEXURE XVII
Restated Statement of Current investments	ANNEXURE XVIII
Restated Statement of Inventories	ANNEXURE XIX
Restated Statement of Trade Receivables	ANNEXURE XX
Restated Statement of Cash and Cash Equivalents	ANNEXURE XXI
Restated Statement of Short Term Loans & Advances	ANNEXURE XXII
Restated Statement of Other Current Assets	ANNEXURE XXIII
Restated Statement of Contingent Liabilities	ANNEXURE XXIV
Restated Statement of Revenue from Operations	ANNEXURE XXV
Restated Statement of Other Income	ANNEXURE XXVI
Restated Statement of Cost of Materials Consumed	ANNEXURE XXVII



Restated Statement of Purchase of stock In Trade	ANNEXURE XXVIII
Restated Statement of Changes in Inventory of Finished Goods and WIP	ANNEXURE XXIX
Restated Statement of Employee Benefit Expenses	ANNEXURE XXX
Restated Statement of Financial Expenses	ANNEXURE XXXI
Restated Statement of Depreciation and Amortization	ANNEXURE XXXII
Restated Statement of Other Expenses	ANNEXURE XXXIII
Restated Statement of CIF Value of Imports	ANNEXURE XXXIV
Restated Statement of Auditor Remuneration	ANNEXURE XXXV
Restated Statement of Related Parties Transactions	ANNEXURE XXXVI
Restated Statement of Significant Accounting Ratios	ANNEXURE XXXVII
Capitalization Statement as at March 31, 2018	ANNEXURE XXXVIII
Restated Statement of Tax Shelters	ANNEXURE XXXIX
Other Notes to Restated Financial Statements	ANNEXURE XXXX

2. The Restated Financial Information contains all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
  3. We have not audited any financial statements of the Company as of any date or for any year subsequent to March 31, 2018. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any year subsequent to March 31, 2018.
  4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
  5. In our opinion, the above financial information contained in Annexure I to XXXX of this report read along with the Restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
  6. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
  7. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
  8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.
2. **Auditor's Responsibility**

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





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### 3. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, 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, to the extent applicable.

- a. In the case of Restated Statement of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016 March 31, 2015 and March 31, 2014;
- b. In the case of the Restated Statement of Profit and Loss, of the profit/ (Loss) of the Company for the Years ended on that date; and
- c. In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For Anil Bansal & Associates**  
**Chartered Accountants**  
**FRN: - 100421W**

  
**Anil Bansal**  
**Proprietor**  
**Membership No.:- 043198**  
**Date:- 19<sup>th</sup> July, 2018**  
**Place:- MUMBAI**



**ELECTRA ACCUMULATORS LIMITED**  
**ANNEXURE I**  
**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**  
**(Amount Rs. In lakhs)**

Particulars	Annexure	As At March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>EQUITY AND LIABILITIES</b>						
<b>I. Shareholder's Funds</b>						
a. Share Capital	V	764.50	347.50	347.50	347.50	145.75
b. Reserves & Surplus	VI	627.32	544.25	480.74	438.16	191.59
<b>II. Non-Current Liabilities</b>						
a. Long Term Borrowings	VII	557.91	410.85	204.26	187.79	576.33
b. Deferred Tax Liabilities	VIII	23.47	14.92	12.30	6.97	4.06
d. Long Term Provisions	IX	18.54	12.57	8.95	8.99	6.77
e. Other Long Term Liabilities	X	108.76	76.83	106.29	76.34	-
<b>III. Current Liabilities</b>						
a. Short Term Borrowings	XI	2195.07	1707.52	1655.89	1488.37	576.33
b. Trade Payables	XII	1998.02	1381.95	1567.32	743.48	812.58
c. Other Current Liabilities	XIII	828.31	369.62	330.67	331.06	413.33
d. Short Term Provisions	XIV	242.41	60.61	35.44	104.57	47.98
<b>TOTAL (I+II+III)</b>		<b>7364.30</b>	<b>4926.62</b>	<b>4749.37</b>	<b>3733.23</b>	<b>2774.72</b>
<b>ASSETS</b>						
<b>IV. Non -Current Assets</b>						
a. Fixed Assets	XV					
i. Tangible Assets		568.62	410.10	401.94	377.42	330.58
Less: Accumulated Depreciation		(192.20)	(164.09)	(136.04)	(113.89)	(70.61)
ii. Intangible Assets (Net)		0.17	-	-	-	-
iii Capital Work in Progress						
<b>Net Block</b>		<b>376.60</b>	<b>246.01</b>	<b>265.89</b>	<b>263.53</b>	<b>259.97</b>
b. Non-Current Investments	XVI	0.05	0.05	5.05	5.05	5.06
c. Long Term Loans & Advances	XVII	57.43	21.79	35.70	51.86	49.98
<b>V. Current Assets</b>						
a. Current Investment	XVIII	1.00	11.00	11.00	10.00	-
b. Inventories	XIX	5481.77	3919.39	3152.56	2325.11	1650.47
c. Trade Receivables	XX	902.97	335.56	854.04	313.39	521.84
d. Cash and Cash Equivalents	XXI	150.88	90.96	130.66	49.13	126.67
e. Short Term Loans & Advances	XXII	391.06	299.49	284.41	711.19	160.68
f. Other Current Assets	XXIII	2.54	2.37	10.06	3.97	0.06
<b>TOTAL (IV+V)</b>		<b>7364.30</b>	<b>4926.62</b>	<b>4749.37</b>	<b>3733.23</b>	<b>2774.72</b>

The accompanying summary of significant accounting policies restated notes to accounts and notes to adjustments for restated summary financial information are an integral part of this statement.

As per our report of even date  
For Anil Bansal & Associates  
Chartered Accountants  
FRN: - 100421W

Anil-Bansal  
Proprietor  
Membership No.: - 043198  
Date:- 19<sup>th</sup> July, 2018  
Place:- MUMBAI



For and on behalf of Board of Directors

Chetan Sanghvi  
Chairman & MD  
DIN:-00957763

Bhramik Sanghvi  
CFO & WTD  
DIN:- 06604461

Rashmi Chauhan  
Company Secretary  
M. No. 43297



**ELECTRA ACCUMULATORS LIMITED**  
**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	Annexure	For the Year Ended March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>I. INCOME</b>						
Revenue from Operations	XXV	7378.69	5188.96	5167.76	7305.12	4091.07
Other Income	XXVI	6.17	12.22	19.35	21.43	18.68
<b>TOTAL REVENUE (I)</b>		<b>7384.86</b>	<b>5201.18</b>	<b>5187.11</b>	<b>7326.55</b>	<b>4109.75</b>
<b>II. EXPENSES</b>						
Cost of Raw Materials Consumed	XXVII	3205.93	2040.16	2265.10	3798.31	3712.92
Purchase of Stock in trade	XXVIII	2617.97	2100.82	2046.17	2012.97	-
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	XXIX	(963.16)	(827.91)	(1001.14)	(540.50)	(964.84)
Employee Benefit Expenses	XXX	445.34	346.41	338.72	386.92	392.63
Finance Costs	XXXI	339.36	300.27	297.73	283.94	180.49
Depreciation and Amortisation Expense	XXXII	28.11	28.05	27.85	43.28	31.90
Other Expenses	XXXIII	960.77	1116.83	1148.43	1273.84	685.10
<b>TOTAL EXPENSES (II)</b>		<b>6634.32</b>	<b>5104.64</b>	<b>5122.87</b>	<b>7258.75</b>	<b>4038.19</b>
<b>III. RESTATED PROFIT/(LOSS) BEFORE TAX (I-II)</b>		<b>750.54</b>	<b>96.54</b>	<b>64.24</b>	<b>67.79</b>	<b>71.56</b>
<b>IV. Tax Expenses</b>						
Current Tax		(241.92)	(30.41)	(14.33)	(20.07)	(25.93)
Deferred Tax		(8.55)	(2.62)	(5.95)	(2.91)	(1.15)
<b>TOTAL TAX EXPENSES (IV)</b>		<b>(250.47)</b>	<b>(33.03)</b>	<b>(20.28)</b>	<b>(22.98)</b>	<b>(27.07)</b>
<b>V. RESTATED PROFIT FOR THE YEAR (III-IV)</b>		<b>500.07</b>	<b>63.52</b>	<b>43.96</b>	<b>44.81</b>	<b>44.49</b>

The accompanying summary of significant accounting policies restated notes to accounts and notes to adjustments for restated summary financial information are an integral part of this statement.

As per our report of even date  
For Anil Bansal & Associates  
Chartered Accountants  
FRN: -100421W

Anil Bansal  
Proprietor  
Membership No.: - 043198  
Date:- 19<sup>th</sup> July, 2018  
Place:- MUMBAI



For and on behalf of Board of Directors

Chetan Sanghvi  
Chairman & MD  
DIN:-00957763

Bhaumik Sanghvi  
CFO & WTD  
DIN:- 06604461

Rashmi Chauhan  
Company Secretary  
M. No. 43297

**ELECTRA ACCUMULATORS LIMITED**  
**ANNEXURE III**  
**STATEMENT OF CASH FLOWS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b><u>I. Cash Flows From Operating Activities:</u></b>					
Net Profit Before Tax as per Restated Statement of Profit And Loss	750.54	96.54	64.24	67.79	71.56
Adjusted for:					
Depreciation & Amortisation	28.11	28.05	27.85	43.28	31.90
Interest Income	(3.29)	(6.55)	(7.73)	(14.47)	(18.68)
Foreign Exchange Loss (Net)	(0.23)	(1.43)	(0.07)	(6.86)	-
Finance Cost	339.36	300.27	297.73	283.94	180.49
Provision for Gratuity	6.07	3.70	(0.09)	2.29	7.05
Capital Gain on Mutual Fund	(2.66)	-	-	-	-
<b>Operating Profit Before Working Capital Changes (As Restated)</b>	<b>1117.91</b>	<b>420.59</b>	<b>381.93</b>	<b>375.98</b>	<b>272.33</b>
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(567.41)	518.48	(540.65)	208.45	22.12
Inventories	(1562.37)	(766.83)	(827.45)	(686.40)	(1029.91)
Short Term Loans and Advances	(91.57)	(15.08)	426.78	(550.51)	16.67
Other Curren & Non Assets	(0.17)	7.69	(6.08)	(3.91)	-
Long Term Loans & Advances	(35.64)	13.91	16.16	(1.88)	(25.19)
Trade Payable	616.29	(183.95)	823.92	(62.25)	476.99
Other Current Liability	391.49	81.09	20.37	(62.31)	524.76
Change in Provisions	206.25	27.68	(71.56)	66.19	-
Share Application Money Refund	-	-	-	-	104.00
<b>Cash Flows From/(Used) in Operations</b>	<b>74.79</b>	<b>103.57</b>	<b>223.41</b>	<b>(716.65)</b>	<b>(162.99)</b>
Direct Tax Paid	(260.51)	(29.39)	(11.88)	(15.76)	(16.86)
<b>Net Cash Flows From/(Used in) Operating Activities: (I)</b>	<b>(185.73)</b>	<b>74.19</b>	<b>211.53</b>	<b>(732.41)</b>	<b>(179.85)</b>
<b><u>II. Cash Flow From Investing Activities:</u></b>					
Purchase of Fixed Assets	(158.71)	(8.16)	(32.22)	(46.84)	(119.26)
Interest Income	3.29	6.55	7.73	14.47	18.68
Purchase of Investments	-	-	(1.00)	(10.00)	-
Sale of Investments	12.66	5.00	-	0.01	-
<b>Net Cash Flow From/(Used in) Investing Activities: (II)</b>	<b>(142.76)</b>	<b>3.39</b>	<b>(25.49)</b>	<b>(42.37)</b>	<b>(100.58)</b>
<b><u>III. Cash Flows from Financing Activities:</u></b>					
Proceeds From Issue of shares capital	-	-	-	201.75	113.25
Share Premium	-	-	-	201.75	113.25
Interest & Financial Charges	(339.36)	(300.27)	(297.73)	(283.94)	(180.49)
Increase/(Decrease) Short Term Borrowing	487.55	51.62	167.52	912.04	(12.56)





Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Increase/(Decrease) Long Term Borrowing	214.25	164.65	(4.29)	(408.49)	305.54
Increase/(Decrease) Other Long Term Liabilities	25.96	(33.08)	29.99	74.11	-
<b>Net Cash Flow From/(Used in) Financing Activities (III)</b>	<b>388.41</b>	<b>(117.27)</b>	<b>(104.51)</b>	<b>697.24</b>	<b>338.98</b>
<b>IV. Net Increase/(Decrease) in Cash &amp; Cash Equivalents (I+II+III)</b>	<b>59.92</b>	<b>(39.70)</b>	<b>81.53</b>	<b>(77.54)</b>	<b>58.56</b>
<b>V. Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>90.96</b>	<b>130.66</b>	<b>49.13</b>	<b>126.67</b>	<b>68.11</b>
<b>VI. Cash &amp; Cash Equivalents As At End of the Year (IV+V)</b>	<b>150.88</b>	<b>90.96</b>	<b>130.66</b>	<b>49.13</b>	<b>126.67</b>

The accompanying summary of significant accounting policies restated notes to accounts and notes to adjustments for restated summary financial information are an integral part of this statement.

As per our report of even date

For Anil Bansal & Associates  
Chartered Accountants  
FRN: - 100421W

Anil Bansal  
Proprietor  
Membership No.: 043198  
Date:- 19<sup>th</sup> July, 2018  
Place:- MUMBAI



For and on behalf of Board of Directors

Chetan Sanghvi  
Chairman & MD  
DIN:-00957763

Bhaumik Sanghvi  
CFO & WTD  
DIN:- 06604461

Rashmi Chauhan  
Company Secretary  
M. No. 43297

**Annexure IVA- Notes on Material Adjustments to the Restated Financial Statements of the respective financial years**

The summary of the material adjustments in audited financial statements of the respective years and their impact on the restated summary statement of profit and loss have been given as under:

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. Profit/(Loss) After Tax As Per Audited Financial Statements</b>	<b>500.07</b>	<b>67.22</b>	<b>46.22</b>	<b>44.76</b>	<b>54.97</b>
<b>II. Restatement Adjustments</b>					
Employee Gratuity	-	3.70	0.09	(2.29)	(7.05)
Deferred Tax Liability / (Asset) Adjustment	-	-	(2.35)	2.35	-
Change in Provision of Tax	-	-	-	-	(3.43)
<b>III. Restated Profit/(Loss) After Tax (I-II)</b>	<b>500.07</b>	<b>63.52</b>	<b>43.96</b>	<b>44.81</b>	<b>44.49</b>

**Notes:**

1. The company did not charge gratuity in the statement of profit & loss for each of the financial years ended on March 31, 2017, 2016, 2015 and 2014 due to non – materiality of amount. The restated summary financial statements, the company has now charged the gratuity to the statement of profit & loss of the respective year as per actuarial valuation report.
2. The Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for all the years and the requirements of the Securities and exchange Board of India (Issue of Capital & Disclosure Requirements ) Regulations 2009.

**Annexure IVB – Other Emphasis of Matters**

1. The Outstanding balance as on 31st March, 2015 in respect of balance from trade payable, trade receivables, deposits and other loans and advances are subject to confirmation from respective in the parties and consequential reconciliation and adjustments arising there from if any. In absence of sufficient information in the possession of company, we are unable to comment on the future impact on the same
2. The financial Statements of the Company for the F.Y. 2013-14 has been audited by other auditor whose report for the year ended 31st march, 2014 expressed an unqualified opinion on those statements. We do not form an opinion on any matter related to the previous year figure. Hence our responsibility is to comment & form an opinion on the matters covered under Financial Statement for the year ended 31st march, 2015

**Annexure IVC - Material regroupings**

W.e.f April 01, 2014, Schedule III of the Companies Act, 2013 has become applicable to the Company for the preparation and presentation of its financial statements which is in line with the erstwhile Revised Schedule VI under the Companies Act, 1956 which became applicable to the Company for the preparation and presentation of its financial statements.

The adoption of the Schedule III of the Companies Act, 2013/Revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The restated summary financial statements have been





prepared based on the presentation requirements specified under Schedule III of the Companies Act, 2013, which is in line with the erstwhile Revised Schedule VI under the Companies Act, 1956.

Appropriate adjustments have been made in the restated summary statements of assets and liabilities, statement of profits and losses and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the financial year ended March 31, 2018, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended.

Below mentioned are the summary results of the adjustments made in the audited financial statements of the respective financial years and its impact on the restated summary statement of profit and of the company.

#### **Annexure IV - Notes to restated summary statements of assets and liabilities, profits and losses and cash flows**

##### **1. Corporate information**

The Company is incorporated on 26th May, 2009 under the provisions of the Companies Act, 2013 (Previously under the provision of the Companies Act, 1956). The name of company has changed from Electra Accumulators Private Limited to Electra Accumulators Limited w.e.f. 20th March, 2018. The company is engaged in Manufacture & Trading of Automotive batteries, Industrial batteries, tubular batteries etc

##### **2. Basis of preparation**

The restated summary statement of assets and liabilities of the Company as at 31<sup>st</sup> March 2018, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and losses and related restated summary statement of cash flows for the financial years ended 31<sup>st</sup> March, 2018, 2017, 2016, 2015 and 2014 (herein collectively referred to as "Restated Summary Statements") have been compiled by the management from the then audited financial statements for the financial years ended 31<sup>st</sup> March, 2018, 2017, 2016, 2015 and 2014 respectively.

The Restated Summary Statements of the Company for the financial years ended 31<sup>st</sup> March, 2018, 2017, 2016, 2015 and 2014 have been prepared using the historical audited general purpose financial statements of the Company as at and for the financial years ended 31<sup>st</sup> March, 2018, 2017, 2016, 2015 and 2014 respectively which were prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the "Act") and as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those adopted in the preparation of financial statement for the financial years ended 31<sup>st</sup> March, 2018, 2017, 2016, 2015 and 2014.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013 in addition to the Revised Schedule VI to the Companies Act, 1956.

The Restated Summary Statements have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed initial public offering ("IPO").

The Restated Summary Statements have been prepared by the Company to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of preparation of financial statements

The Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014 and the annexure thereto (collectively, the "Restated Financial Statements" or "Restated Summary Statements") have been extracted by the management from the Financial Statements of the Company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### B. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### C. Fixed Assets

#### (i) Tangible Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

#### (ii) Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion. All cost, including financing costs till commencement of commercial production are capitalised.

### D. Depreciation, Amortisation and Depletion

#### (i) Tangible Fixed Assets

Depreciation on the fixed assets has been provided for on straight line method at the rates prescribed and the management estimates the useful lives as per Schedule II to the Companies Act, 2013. Depreciation on additions is provided on Pro-rata basis for the period for which the Assets are put to use

#### (ii) Intangible assets

The Management estimates the useful lives for the fixed assets as per Schedule II to the Companies Act, 2013.

### E. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or





above cost. Cost of raw materials, components and stores and spares is determined on First-in First-Out basis.

#### **F. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

##### **Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from operations is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government except Sales tax.

##### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

##### **Dividend Income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

#### **G. Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non-monetary foreign currency items are carried at cost.

In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities are restated at the year end rates.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement, except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

#### **H. Retirement and other employee benefits**

Retire benefit in the form of Provident Fund is a defined contribution scheme. The contribution to Provident fund are charged to statement of profit and loss for the year when the contributions are due. The Company has no obligation other than contribution payable to the Provident fund. The company operates one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

#### **I. Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

#### **J. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

#### **K. Leases**

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payment under operating leases is recognised as an expense on a straight line basis in the statement of profit and loss over the lease term.

#### **L. Borrowing costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

#### **M. Segment Reporting**

The Company has identified two operating segments viz, Automotive and Industrial. As per AS-17 : Operating Segments, due to similar nature of products, production process, customer types, etc., the two operating segments have been aggregated as single operating segment of "storage batteries and allied products" during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

#### **N. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

#### **O. Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.





**ANNEXURE V**  
**STATEMENT OF SHARE CAPITAL AS RESTATED**

(Amount Rs. In Lakhs)  
(No. of Shares In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>I. Authorised Share Capital</b>										
Equity Shares of Rs. 10 Each	150.00	1500.00	40.00	400.00	40.00	400.00	40.00	400.00	20.00	200.00
<b>TOTAL</b>	<b>150.00</b>	<b>1500.00</b>	<b>40.00</b>	<b>400.00</b>	<b>40.00</b>	<b>400.00</b>	<b>40.00</b>	<b>400.00</b>	<b>20.00</b>	<b>200.00</b>
<b>II. Issued, Subscribed And Paid Up Share Capital</b>										
Equity Shares of Rs. 10 Each	76.45	764.50	34.75	347.50	34.75	347.50	34.75	347.50	14.58	145.75
<b>TOTAL</b>	<b>76.45</b>	<b>764.50</b>	<b>34.75</b>	<b>347.50</b>	<b>34.75</b>	<b>347.50</b>	<b>34.75</b>	<b>347.50</b>	<b>14.58</b>	<b>145.75</b>

**Notes:**

1. The Authorised Capital of the company was increased from Rs.200.00 Lacs To Rs. 300.00 Lacs Dated on 14<sup>th</sup> June, 2014, From 300.00 Lacs to 400.00 Lacs dated on 2<sup>nd</sup> March, 2015 and From Rs. 400.00 Lacs To Rs. 1500.00 Lacs dated on 24<sup>th</sup> February, 2018.
2. The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each holder of equity shares is entitled to one vote per share.
3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows.

**i. RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AS AT THE BEGINNING AND AS AT THE END OF THE YEAR**

(No. of Shares In Lakhs)

Particulars	For the Year March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Equity Shares of Rs. 10/- Each					
Equity Shares As At the Beginning of the Year	34.75	34.75	34.75	14.58	3.25
Add: Number of Shares Issued For Consideration in Cash	-	-	-	20.18	11.33
Add: Number of Shares Issued as Bonus Shares	41.70	-	-	-	-
Equity Shares As At the End of the Year	<b>76.45</b>	<b>34.75</b>	<b>34.75</b>	<b>34.75</b>	<b>14.58</b>

**ii. DETAILS OF SHAREHOLDER HOLDING 5% OR MORE SHARES IN THE COMPANY**

(No. of Shares In Lakhs)

Name of the Shareholder	As At March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Chetan Sanghvi	43.55	56.96%	19.87	57.18%	19.87	57.18%	14.64	42.13%	2.02	13.83%



Name of the Shareholder	As At March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
Mr. Bhaumik Sanghvi	32.48	42.48%	14.76	42.48%	14.76	42.48%	13.35	38.41%	6.76	46.41%
Mrs. Archana Sanghvi	-	-	-	-	-	-	6.76	19.46%	5.08	39.77%

**ANNEXURE VI  
STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b><u>I. SECURITIES PREMIUM</u></b>					
Opening Balance	315.00	315.00	315.00	113.25	113.25
Add : Securities premium credited on Share issue	-	-	-	201.75	-
Less: Utilised For Allotment of Bonus Shares	315.00	-	-	-	-
Closing Balance	-	315.00	315.00	315.00	113.25
<b><u>II. SURPLUS IN STATEMENT OF PROFIT AND LOSS</u></b>					
Opening Balance	229.25	165.74	123.16	78.34	33.80
Add: Restated Profit for the Year	500.07	63.52	43.96	44.81	44.49
Less :- Transfer for Issue of Bonus Shares	(102.00)	-	-	-	-
Add : Adjustment in Earlier Year Tax	-	-	-	-	0.06
Less : Adjustment in F.A as per Companies Act,2013	-	-	1.39	-	-
Closing Balance	627.32	229.25	165.74	123.16	78.34
<b>TOTAL (I+II)</b>	<b>627.32</b>	<b>544.25</b>	<b>480.74</b>	<b>438.16</b>	<b>191.59</b>

**ANNEXURE VII  
STATEMENT OF LONG TERM BORROWINGS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b><u>I. SECURED LOANS</u></b>					
(a) Term Loan					
From Bank/Financial Institutions					
- Term Loan	-	14.54	5.80	30.48	40.77
- Vehicle Loan	0.12	2.34	4.85	20.46	26.41
- Machinery Loan	100.29	0.11	44.52	70.21	38.64
<b><u>II. UNSECURED LOANS</u></b>					
Loans and Advances from Bank / Financial Institutions & NBFC	113.46	93.70	92.95	66.64	138.84
<b><u>III. LOAN FROM RELATED PARTIES</u></b>					
Mr. Chetan Sanghvi*	334.05	290.15	46.15	-	(9.50)
Mr. Bhaumik Sanghvi*	10.00	10.00	10.00	-	0.27
M/s Sanghvi Trading Pvt. Ltd.	-	-	-	-	340.90
<b>TOTAL (I+II)</b>	<b>557.91</b>	<b>410.85</b>	<b>204.26</b>	<b>187.79</b>	<b>576.33</b>

\*Loan from related parties are repayable on Demand and carries no interest.





**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR TERM LOANS FROM BANKS & NBFC  
INCLUDING CURRENT MATURITIES**

(Amount Rs. In Lakhs)

Sr. No	Name of Lender	Nature of Facility	Amount Outstanding as at March, 31 2018	Rate of Interest (%)	Repayment Terms	Security/ Principal Terms & conditions
1	Dewan Housing Finance Corporation Limited	Plant & Machinery Loan	Rs. 10.02	16.00%	Repayable in 60 Monthly Installments of Rs. 50,127/- starting from April 2015	First Charge by the way of exclusive hypothecation lien mark on the performa invoice and invoices in favor of DHFL Covering the Performa invoices Machine
2	Electronica Finance Limited	Term Loan	Rs. 4.70	13.50%	Repayable in 60 Monthly Installments as under: Rs. 46,624/- For 1 to 30 months Rs. 23,670/- For 31 to 59 months Rs. 2,58,801/- For 60 to 60 months	Life Cycle tester 18V/51A - 3 CKTS and laboratory high rate discharger 18 V/ 15000ADC - 1 Nos
3	Electronica Finance Limited	Term Loan	Rs. 35.50	10.99%	Repayable in 24 Monthly Installments of Rs. 153,012/- starting from 10th April, 2018	Supply of Man Power Control Centre, Supply of power Distribution Boards, Supply of Outdoor Duty Power Distribution Transformer.
4	Reliance Capital Limited	Term Loan	Rs. 8.18	12.50%	Repayable in 60 Monthly Installment of Rs. 87,877/- starting from February 2014	Plastic- Pressure Die Casting Machine DDC 300 Twin
5	Reliance Capital Limited	Term Loan	Rs. 2.34	12.50%	Repayable in 60 Monthly Installments as under: Rs. 15,000/- For 01/03/2014 Rs. 25,000/- From 01/04/2014 to 01/01/2019 Rs. 1,633/- For 01/02/2019	Plastic Tabular Positive MIC Machine
6	Reliance Commercial Finance Limited	Term Loan	Rs.96.48	11%	Repayable in 60 Monthly Installment of Rs.2,18,077/- starting from January 2018	5 quantities of Regulated Environment Chamber Machine
7	HDFC BANK	Vehicle Loan	Rs. 0.12	15.003%	Repayable in 47 Monthly Installment of Rs.5,738/- starting from July, 2014	Hypothecation of Vehicle



**NATURE OF UNSECURED AND TERMS OF REPAYMENT FOR TERM LOANS FROM BANKS & NBFC INCLUDING CURRENT MATURITIES**

Sr. No	Name of Lender	Nature of Facility	Amount Outstanding as at March, 31 2018	Rate of Interest (%)	Repayment Terms
1	Aditya Birla Finance Limited	Business Loan of Rs. 25 Lacs	Rs. 25.00	18.25%	Repayable in 36 Monthly Installments, of Rs. 90,695/- each starting from 05th March, 2018
2	Bajaj Finserv Limited	Business Loan of Rs. 17.17 Lacs	Rs. 8.24	17.50%	Repayable in 48 Monthly Installments of Rs. 49,990/- each starting from 02nd November, 2015.
3	Deutsche Bank AG	Business Loan of Rs. 50 Lacs	Rs. 11.23	13.35%	Originally Repayable in 36 Monthly Installments of Rs. 169,314/- each starting from 19th November, 2015. Revised Repayment schedule of 27 monthly installments of Rs. 167,742/- each
4	Edelweiss Retail Finance Limited	Business Loan of Rs. 40.10 Lacs	Rs. 23.81	18.00%	Repayable in 37 Monthly Installments of Rs. 144,972/- each starting from 05th October, 2016
5	HDB Financial Services Limited	Business Loan of Rs. 25 Lacs	Rs. 16.91	19.00%	Repayable in 36 Monthly Installments of Rs. 91,640/- each starting from 04th February, 2017
6	IVL Finance Limited	Business Loan of Rs. 35.20 Lacs	Rs. 26.23	18.50%	Repayable in 24 Monthly Installments of Rs. 176,585/- each starting from 05th September, 2017
7	Magma Fincorp Limited	Business Loan of Rs. 25 Lac	Rs. 6.16	19.43%	Repayable in 36 Monthly Installments starting from 07th June, 2016 Installment no 01 to 12 = 117,824 Installment no 13 to 24 = 104,732 Installment no 25 to 36 = 99,275
8	Magma Fincorp Limited	Business Loan of Rs. 25 Lacs	Rs. 24.13	18.50%	Repayable in 24 Monthly Installments of Rs. 125,415/- each starting from 07th March, 2018
9	NeoGrowth Credit Private Limited	Business Loan of Rs. 25.50 Lacs	Rs. 10.25	As per Sanction Letter	Repayable in Installments of Rs. 123,250/- each on Fortnightly basis on 5th and 20th of the every month.
10	Ratnakar Bank Limited	Business Loan of Rs. 35 Lacs	Rs. 6.09	18.50%	Repayable in 36 Monthly Installments of Rs. 127,414/- each starting from 05th August, 2015
11	Shriram City Union Finance Limited	Business Loan of Rs. 40 Lacs	Rs.39.99	19.00%	Repayable in 36 Monthly Installments of Rs. 146,625/- each
12	Tata Capital Financial Services Limited	Business Loan of Rs. 35 Lacs	Rs. 31.27	18.00%	Repayable in 24 Monthly Installments of Rs. 174,734/- each starting from 03rd January, 2018
13	United Petro Finance Limited	Business Loan of Rs. 25 Lacs	Rs. 20.16	26.75%	Repayable in 18 Monthly Installments of Rs. 170,139/- each starting from 30th November, 2017
14	Janalakshmi Financial Services Ltd.	Business Loan of Rs. 25 Lacs	Rs. 1.81	18.00%	Repayable in 36 Monthly Installments of Rs. 90,381/- each starting from 12 <sup>th</sup> May, 2015





**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE VIII**

**STATEMENT OF DEFERRED TAX LIABILITIES AS RESTATED**

Particulars	(Amount Rs. In Lakhs) As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
WDV as per Companies Act	365.09	234.50	254.38	252.02	248.46
WDV as per Income Tax Act	294.11	186.22	214.59	229.47	234.93
Deffered tax Liability as per Income Tax	23.47	14.92	12.30	6.97	4.18
Expenses disallowed as per Income Tax	-	-	-	-	0.38
Defferd tax assets as per Income Tax	-	-	-	-	0.12
<b>Net to be disclosed in balance Sheet</b>	<b>23.47</b>	<b>14.92</b>	<b>12.30</b>	<b>6.97</b>	<b>4.06</b>
Opening Balance of (DTA) / DTL	14.92	12.30	6.97	4.06	2.91
Liability to be created for the year as per restated financial transfer to P & L A/c	8.55	2.62	5.33	2.91	1.15
Add: Deferred Tax Reversal of Fixed Assets	-	-	0.62	-	-
<b>Liability to be created for the year as per restated financial transfer to P &amp; L A/c</b>	<b>8.55</b>	<b>2.62</b>	<b>5.95</b>	<b>2.91</b>	<b>1.15</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE IX**

**STATEMENT OF LONG TERM PROVISIONS AS RESTATED**

Particulars	(Amount Rs. In Lakhs) As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Provision for Employee Benefits Plan-Gratuity	18.54	12.57	8.95	8.99	6.77
<b>TOTAL</b>	<b>18.54</b>	<b>12.57</b>	<b>8.95</b>	<b>8.99</b>	<b>6.77</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for



the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE X  
STATEMENT OF OTHER LONG TERM LIABILITY AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Security Deposits	108.76	76.83	106.29	76.34	-
<b>TOTAL</b>	<b>108.76</b>	<b>76.83</b>	<b>106.29</b>	<b>76.34</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XI  
STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. SECURED WORKING CAPITAL FOM BANKS:</b>					
Rupee Loan (with UBI)	2195.07	1707.52	1643.43	1475.95	552.69
Other Loans (Loan Against FDR with Bank)	-	-	12.47	12.42	23.64
<b>TOTAL (I+II)</b>	<b>2195.07</b>	<b>1707.52</b>	<b>1655.89</b>	<b>1488.37</b>	<b>576.33</b>

Sr. No	Name of Lender	Nature of Facility	Amount Outstanding as at March, 31 2018	Rate of Interest (%)	Repayment Terms	Security/ Principal Terms & conditions
1	UNION BANK OF INDIA	(i) Cash Credit Facility of Rs. 2000.00 /- Lakhs ,  (ii) Letter of Credit (DP/DA 90 Days) of Rs.200.00 /- Lakhs  (iii) Bank Gurantee of Rs. 50.00 /- Lakhs	Rs.2195.07 lakhs	12.10 % on Cash Credit	Repayable on Demand	<b>a) Main Security</b>  (i) Hyp. Of Stock and Book Debts against Cash credit facility  (ii) Hyp. of Stock and 25% margin of FDR against Letter of Credit  (iii) Counter Indemnity and 25 % of margin of FDR against Bank Gurantees.  <b>b) Collateral security</b>  (i) Land & Building on Plot No.



					<p>165/B at GIDC, Vapi Dist Valsad, Gujarat in the name of M/s Swastik Battery Industries.</p> <p>(ii) Land 7 building on plot No. 136/I/1 ay GIDC, Vapi, dist. Valsad, Gujarat in the name of M/s Swastik Battery Industries.</p> <p>(iii) Flat No. 501, 5<sup>th</sup> floor, hemu Castle, Dadabhai Road, Ville Parle (West) Mumbai – 56 in the name of Mr. Chetan Sanghvi &amp; Mrs. Archana Sanghvi. Flat No. 2/C Ground Floor, Building No. B, Deep Tower, golani Complex, Waliv, vasai (East), Dist. Thane in the name of Mr. Chetan Sanghvi</p> <p>(iv) Shop No. 19, Ground Floor, Mahavir Arcade Shopping Association, Survey No. 555 at Vapi Dist. Valsad, Gujarat in the name of Mr. chetan S. Sanghvi</p> <p>(V) Land &amp; building at Gut No. 230/1, Village Pimplanare Tal – Didori, dist. Nasik in the name of Swastik Industries Land Admeasuring 8700 sq. mt. and industrial shed area admeasuring 484.86 sq. mt.</p> <p>(VI) FDR (VII) KBC MUTUAL FUND (VIII)SUD Life Insurance Policy</p>
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**Notes:**

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XII  
STATEMENT OF TRADE PAYABLES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Sundry Creditors for Goods					
- Others	1187.68	870.85	1567.32	743.48	812.58
- Related Parties	810.34	511.10	-	-	-
<b>TOTAL</b>	<b>1998.02</b>	<b>1381.95</b>	<b>1567.32</b>	<b>743.48</b>	<b>812.58</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.
3. Amount due to entities covered under Micro, Small and medium Enterprises as defined in the Micro, Small, Medium Enterprise Development Act, 2006 have been identified on the basis of information available with the Company. There was no amount due to such entities which needs to be disclosed.

**ANNEXURE XIII  
STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Current Maturities of Long term Debt	194.80	127.61	169.74	190.50	210.45
Statutory Dues	289.65	48.22	21.05	45.15	-
<b>Other Payable</b>					
- Share Application Money Refund	-	-	-	-	104.00
- Balance With Bank	-	-	-	6.04	-
- Others Payable - Others	323.97	180.04	134.05	88.00	89.37
- Others Payable - Related Parties	19.90	13.75	5.83	1.38	9.50
<b>TOTAL</b>	<b>828.31</b>	<b>369.62</b>	<b>330.67</b>	<b>331.06</b>	<b>413.33</b>

**Notes:**

1. Advances received from customers have been taken as certified by the management of the Company and no security has been offered by the company against the same.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.



3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

#### ANNEXURE XIV

#### STATEMENT OF SHORT TERM PROVISIONS AS RESTATED

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Provision for					
<b>a) Employee Benefits</b>					
(i) Provision for Gratuity	0.49	0.38	0.30	0.36	0.28
<b>b) Others</b>					
(i) Provision of Tax	241.92	30.41	14.33	42.57	35.93
(ii) Excise duty	-	29.83	20.81	61.64	11.77
<b>TOTAL</b>	<b>242.41</b>	<b>60.61</b>	<b>35.44</b>	<b>104.57</b>	<b>47.98</b>

#### Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

#### ANNEXURE XV

#### STATEMENT OF FIXED ASSETS AS RESTATED

(Amount Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
<b>ITANGIBLE ASSETS-OWNED</b>										
Land	11.51	-	-	11.51	-	-	-	-	11.51	11.51
Factory Building	-	50.74	-	50.74	-	0.21	-	0.21	50.54	-
Plant & Machinery	336.95	97.51	-	434.46	123.50	18.92	-	142.42	292.03	213.45
Furniture & Fixtures	0.73	4.22	-	4.95	0.30	0.12	-	0.43	4.52	0.43
Motor Car	32.33	-	-	32.33	20.00	3.02	-	23.02	9.32	12.34
Office Equipments	15.57	1.31	-	16.87	11.82	2.23	-	14.05	2.82	3.75
Computers	13.01	4.75	-	17.76	8.47	3.60	-	12.07	5.68	4.53
<b>TOTAL</b>	<b>410.10</b>	<b>158.53</b>	<b>-</b>	<b>568.62</b>	<b>164.09</b>	<b>28.10</b>	<b>-</b>	<b>192.20</b>	<b>376.46</b>	<b>246.01</b>
<b>IIINTANGIBLE ASSETS-OWNED</b>										
Trademark	-	0.18	-	0.18	-	0.01	-	0.01	0.17	-
<b>TOTAL (I+II)</b>	<b>410.10</b>	<b>158.71</b>		<b>568.80</b>	<b>164.09</b>	<b>28.11</b>		<b>192.21</b>	<b>376.46</b>	<b>246.01</b>





(Amount Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
LTANGIBLE ASSESTS-OWNED										
Land	11.51	-	-	11.51	-	-	-	-	11.51	11.51
Plant & Machinery	332.62	4.32	-	336.95	105.08	18.42	-	123.50	213.45	227.54
Furniture & Fixtures	0.73	-	-	0.73	0.24	0.06	-	0.30	0.43	0.48
Motor Car	31.39	0.94	-	32.33	17.76	2.24	-	20.00	12.34	13.63
Office Equipments	15.57	-	-	15.57	8.40	3.42	-	11.82	3.75	7.17
Computers	10.12	2.89	-	13.01	4.56	3.92	-	8.47	4.53	5.56
TOTAL	401.94	8.16	-	410.10	136.04	28.05	-	164.09	246.01	265.89

(Amount Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
L. TANGIBLE ASSESTS-OWNED										
Land	11.51	-	-	11.51	-	-	-	-	11.51	11.51
Plant & Machinery	304.33	28.30	-	332.62	87.17	17.92	-	105.08	227.54	217.16
Furniture & Fixtures	0.73	-	-	0.73	0.18	0.06	-	0.24	0.48	0.54
Motor Car	31.39	-	-	31.39	15.02	2.73	-	17.76	13.63	16.37
Office Equipments	17.17	0.40	2.00	15.57	5.41	4.09	1.10	8.40	7.17	11.76
Computers	12.30	3.52	5.70	10.12	6.10	3.05	4.59	4.56	5.56	6.19
TOTAL	377.42	32.22	7.70	401.94	113.89	27.85	5.69	136.04	265.89	263.53

(Amount Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
LTANGIBLE ASSESTS- OWNED										
Land	11.51	-	-	11.51	-	-	-	-	11.51	11.51
Plant & Machinery	270.74	35.58	-	304.33	53.50	33.66	-	87.17	217.16	217.24
Motor Car	26.56	4.83	-	31.39	10.14	4.89	-	15.02	16.37	16.42
Office Equipments	13.05	2.69	-	15.74	2.35	1.80	-	4.14	11.60	10.71
Computers	8.72	5.74	-	14.46	4.63	2.93	-	7.56	6.90	4.09
TOTAL	330.58	46.84	-	377.42	70.61	43.28	-	113.89	263.53	259.97





(Amount Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At April 1, 2013	Additions	Deduction	As At March 31, 2014	As At March 31, 2013
<b>I. TANGIBLE ASSETS-OWNED</b>									
Land	11.51	-	-	11.51	-	-	-	-	11.51
Plant & Machinery	159.11	111.63	-	270.74	31.12	22.38	-	53.50	217.24
Motor Car	26.56		-	26.56	4.40	5.74	-	10.14	16.42
Office Equipments	7.35	5.70	-	13.05	1.02	1.33	-	2.35	10.71
Computers	6.80	1.92	-	8.72	2.17	2.46	-	4.63	4.09
<b>TOTAL</b>	<b>211.32</b>	<b>119.26</b>		<b>330.58</b>	<b>38.71</b>	<b>31.90</b>		<b>70.61</b>	<b>259.97</b>

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XVI****STATEMENT OF NON CURRENT INVESTMENTS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
(a) Investment in Equity Shares (Unquoted)					
(i) Sangli Urban Co-operative Bank Limited	0.05	0.05	0.05	0.05	0.05
(ii) Kapol Co-operative Bank Limited	-	-	5.00	5.00	5.01
<b>TOTAL</b>	<b>0.05</b>	<b>0.05</b>	<b>5.05</b>	<b>5.05</b>	<b>5.06</b>

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XVII****STATEMENT OF LONG TERM LOANS & ADVANCES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Unsecured But Considered Good					
Security Deposits	57.43	21.79	35.70	51.86	49.98
<b>TOTAL</b>	<b>57.43</b>	<b>21.79</b>	<b>35.70</b>	<b>51.86</b>	<b>49.98</b>



**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XVIII**

**STATEMENT OF CURRENT INVESTMENTS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Investment in Mutual Fund (quoted) *</b>					
Union KBC Trigger Fund Series-2-Regular Paln [Unit 100,000 @ ₹ 10/-]	-	10.00	10.00	10.00	-
Union KBC Trigger Fund Series-2-Regular Paln [Unit 8244.023 @ ₹ 10/-]	1.00	1.00	1.00	-	-
<b>TOTAL</b>	<b>1.00</b>	<b>11.00</b>	<b>11.00</b>	<b>10.00</b>	<b>-</b>

**Notes:**

3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
4. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XIX**

**STATEMENT OF INVENTORIES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. INVENTORIES</b>					
Raw Materials & Components (Including Stores & Spares)	906.06	244.09	317.77	431.11	346.85
Work-in-Process	2974.06	3451.98	2626.27	1339.23	771.34
Finished Goods	1601.65	223.32	208.52	554.77	532.28
<b>TOTAL</b>	<b>5481.77</b>	<b>3919.39</b>	<b>3152.56</b>	<b>2325.11</b>	<b>1650.47</b>

**Notes:**

1. Inventory has been physically verified by the management of the company at the end of respective years

**ANNEXURE XX**

**STATEMENT OF TRADE RECEIVABLES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. Unsecured But Considered Good</b>					
(a) Related Parties					
- Less than Six months	-	-	140.95	29.61	-





Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>II. Unsecured But Considered Good</b>					
Less Than Six Months	141.72	80.14	43.32	91.94	100.64
More Than Six Months	761.25	255.43	669.77	191.84	421.20
<b>TOTAL (I+II)</b>	<b>902.97</b>	<b>335.56</b>	<b>854.04</b>	<b>313.39</b>	<b>521.84</b>

**Notes:**

1. Trade Receivables as on 31<sup>st</sup> March, 2018 has been taken as certified by the management of the Company.
2. As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts has not been made.
3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
4. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXI  
STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. Balances With Banks</b>					
In Current Account	53.80	56.08	70.98	5.76	17.03
In Deposits (Under Lien with Banks)	81.61	34.61	50.48	41.19	98.03
<b>II. Cash on Hand</b>	15.47	0.27	9.20	2.18	11.61
<b>TOTAL (I+II)</b>	<b>150.88</b>	<b>90.96</b>	<b>130.66</b>	<b>49.13</b>	<b>126.67</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXII  
STATEMENT OF SHORT TERM LOANS & ADVANCES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. Unsecured But Considered Good</b>					
Balances with Government Authorities	47.16	51.92	39.49	51.76	-
<b>Others</b>					
Prepaid Expenses	30.28	4.23	4.49	4.62	8.05
Advance recoverable in Cash or kind	61.42	14.77	12.01	452.42	105.27
<b>Security Deposits</b>					
- Others	99.31	75.67	75.52	-	47.36
- Related Parties	152.89	152.89	152.89	202.39	-
<b>TOTAL (I+II)</b>	<b>391.06</b>	<b>299.49</b>	<b>284.41</b>	<b>711.19</b>	<b>160.68</b>



**Notes:**

1. Advances given to suppliers have been taken as certified by the management of the company. No securities have been taken by the company against the advances given to suppliers.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXIII****STATEMENT OF OTHER CURRENT ASSETS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Accrued Interest but not due	2.54	2.37	10.06	3.97	-
Preliminary Expenditure	-	-	-	-	0.06
<b>TOTAL</b>	<b>2.54</b>	<b>2.37</b>	<b>10.06</b>	<b>3.97</b>	<b>0.06</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXIV****STATEMENT OF CONTINGENT LIABILITIES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Bank guarantees Uttarakhand Renewable Energy Development Agency [UREDA]	1.38	1.38	1.38	-	-
Bank guarantees-VAT Registration Department-Indore	0.10	0.10	0.10	0.10	0.10
Bank guarantees-VAT Registration Department-Rajasthan	0.20	0.20	0.20	0.20	0.20
Bank guarantees-Assistant Commissioner of Sales Tax - Ghaziabad	0.25	0.25	0.25	0.25	0.25
Income Tax CIT-A for A.Y.2014-15	5.15	5.15	-	-	-
<b>TOTAL</b>	<b>7.08</b>	<b>7.08</b>	<b>1.93</b>	<b>0.55</b>	<b>0.55</b>

**ANNEXURE XXV****STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. REVENUE FROM SALE OF PRODUCTS:</b>					
Sale of Goods	7,494.53	5,534.25	5,523.41	7,671.28	4,542.40
Less :- Excise Duty	115.84	355.18	355.65	366.16	451.33





Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>TOTAL</b>	7,378.69	5,179.07	5,167.76	7,305.12	4,091.07
Add:- Other Operating income	-	9.89	-	-	-
<b>REVENUE FROM OPERATIONS (NET)</b>	<b>7,378.69</b>	<b>5,188.96</b>	<b>5,167.76</b>	<b>7,305.12</b>	<b>4,091.07</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXVI**

**STATEMENT OF OTHER INCOME AS RESTATED**

(Amount Rs. in Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>A. Related &amp; Recurring Income</b>					
Interest Income					
- On Fixed Deposits	3.17	6.03	5.63	4.25	4.18
- From Others	0.11	0.52	2.10	10.22	14.51
- Net Gain on Foreign Exchange	0.23	1.43	0.07	6.87	-
<b>TOTAL (I)</b>	<b>3.51</b>	<b>7.97</b>	<b>7.80</b>	<b>21.32</b>	<b>18.68</b>
<b>B. Related &amp; Non Recurring Income</b>					
Sundry Balances Written off/Discount(Net)	-	-	11.55	0.10	-
Goods by theft	-	4.24	-	-	-
Long Term Capital Gain on Mutual Fund	2.66	-	-	-	-
<b>TOTAL (II)</b>	<b>2.66</b>	<b>4.24</b>	<b>11.55</b>	<b>0.10</b>	<b>-</b>
<b>TOTAL (I + II)</b>	<b>6.17</b>	<b>12.22</b>	<b>19.35</b>	<b>21.43</b>	<b>18.68</b>

**Notes:**

1. The classification of the other income as recurring/not recurring, related/not related to business activity is based on the current operation and business activity of the company as determined by the management
2. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.



**ANNEXURE XXVII**  
**STATEMENT OF COST OF MATERIALS CONSUMED AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Opening Stock	244.09	317.77	431.11	346.85	281.78
Add : Purchases(Including Stores)	3,867.90	1,966.48	2,151.76	3,882.57	3,777.99
Less : Closing Stocks	906.06	244.09	317.77	431.11	346.85
<b>TOTAL</b>	<b>3,205.93</b>	<b>2,040.16</b>	<b>2,265.10</b>	<b>3,798.31</b>	<b>3,712.92</b>
<b>COST OF MATERIALS CONSUMED</b>	<b>3,205.93</b>	<b>2,040.16</b>	<b>2,265.10</b>	<b>3,798.31</b>	<b>3,712.92</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**DETAILS IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Imported (Amount)	1.09	49.69	-	6.09	63.05
Imported (%)	0.03%	2.44%	-	0.16%	1.70%
Indigenous (Amount)	3204.84	1990.47	2265.10	3792.22	3649.87
Indigenous (%)	99.97%	97.56%	100%	99.84%	98.30%
<b>TOTAL (AMOUNT)</b>	<b>3205.93</b>	<b>2040.16</b>	<b>2265.10</b>	<b>3798.31</b>	<b>3712.92</b>
<b>TOTAL (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**ANNEXURE XXVIII**

**STATEMENT OF PURCHASE OF TRADED GOODS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<u>Purchase of Traded Goods</u>					
Batteries & Others	2,617.97	2,100.82	2,046.17	2012.97	-
<b>TOTAL</b>	<b>2,617.97</b>	<b>2,100.82</b>	<b>2,046.17</b>	<b>2012.97</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the



Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

#### ANNEXURE XXIX

##### STATEMENT OF CHANGES IN INVENTORY OF FINISHED GOODS AND WIP AS RESTATED (Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. Closing Stock</b>					
Finished Goods	1,601.65	223.32	208.52	554.77	532.28
Work-in-Progress	2,974.06	3,451.98	2,626.27	1,339.23	771.34
<b>II. Opening Stock</b>					
Finished Goods	223.32	208.52	554.77	532.28	146.35
Work-in-Progress	3,451.98	2,626.27	1,339.23	771.34	180.67
Add/Less :- Excise Duty	62.76	12.61	60.35	61.64	11.77
<b>(Increase)/Decrease Inventories (I-II)</b>	<b>(963.16)</b>	<b>(827.91)</b>	<b>(1,001.14)</b>	<b>(540.05)</b>	<b>(964.84)</b>

#### Notes:

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

#### ANNEXURE XXX

##### STATEMENT OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Salary, Wages & Bonus	361.01	274.58	289.52	342.42	309.11
Directors' Remuneration	18.00	18.00	18.00	34.00	34.00
Bonus & Other Contributions	37.20	30.31	6.44	8.44	19.97
Staff Welfare expenses	29.13	23.52	24.76	2.07	29.54
<b>TOTAL</b>	<b>445.34</b>	<b>346.41</b>	<b>338.72</b>	<b>386.92</b>	<b>392.63</b>

#### Notes:

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

#### ANNEXURE XXXI

##### STATEMENT OF FINANCIAL EXPENSES AS RESTATED

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Interest Expenses	318.12	283.14	277.88	272.61	163.20
Bank Charges	21.24	17.14	19.85	11.32	17.29
<b>TOTAL</b>	<b>339.36</b>	<b>300.27</b>	<b>297.73</b>	<b>283.94</b>	<b>180.49</b>





**Notes:**

3. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
4. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXXII  
STATEMENT OF DEPRECIATION & AMORTIZATION AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31,				
	2018	2017	2016	2015	2014
Depreciation & Amortization	28.11	28.05	27.85	43.28	31.90
<b>TOTAL</b>	<b>28.11</b>	<b>28.05</b>	<b>27.85</b>	<b>43.28</b>	<b>31.90</b>

**ANNEXURE XXXIII  
STATEMENT OF OTHER EXPENSES AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>I. MANUFACTURING EXPENSES</b>					
Labour Charges	89.88	61.42	57.94	14.64	29.90
Transportation Charges	118.59	90.23	67.09	61.89	97.70
Power & Fuel Expenses	140.17	135.66	108.24	92.48	111.75
Rent	21.30	17.10	27.30	27.32	25.10
Repairs & Maintenance	25.59	28.24	30.56	33.83	27.66
Factory General Expenses	49.99	52.30	46.08	39.61	40.16
<b>II. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>					
Audit Fees	4.80	4.20	4.20	4.20	0.19
Insurance Charges	7.71	6.43	6.75	10.86	4.41
Miscellaneous Expenses	10.92	6.45	7.91	51.40	9.96
Communication expenses	7.33	8.58	6.87	9.36	3.60
Rent	3.98	6.66	3.20	34.09	24.65
Professional Charges	28.24	14.06	13.97	56.72	16.24
Sales Tax	136.10	446.14	541.92	557.67	130.50
Repair and Maintenance	6.09	3.25	4.46	5.40	13.86
Advertisement & Business Promotion Expenses	0.98	0.75	9.31	12.31	10.36
Freight Outward Expenses	22.24	34.61	45.16	41.03	26.58
Commission & Brokerage	63.69	49.81	48.16	59.37	41.55
Preliminary Expenses written off	-	-	-	0.06	0.06
Rebate & Discount	128.56	77.67	73.72	66.50	0.53
Computer Expenses	4.61	3.59	2.34	2.09	1.48
Travelling & Conveyance	55.82	44.40	35.20	74.00	49.76
Electricity Expenses	2.55	2.94	3.12	2.05	2.22
Rates & Taxes	16.25	0.51	2.50	2.20	4.20
Statutory Payments	15.41	21.82	2.43	14.76	12.69
<b>TOTAL</b>	<b>960.77</b>	<b>1,116.83</b>	<b>1,148.43</b>	<b>1273.84</b>	<b>685.10</b>





**Notes:**

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXXIV  
STATEMENT OF CIF VALUE OF IMPORTS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Raw Materials	1.09	49.69	-	-	-
Capital Goods	4.94	-	4.75	6.09	3.12
<b>TOTAL</b>	<b>6.02</b>	<b>49.69</b>	<b>4.75</b>	<b>6.09</b>	<b>3.12</b>

**Notes:**

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXXV  
STATEMENT OF AUDITORS' REMUNERATION AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
As Auditors					
- Audit Fees	4.80	4.20	4.79	4.70	0.19
<b>TOTAL</b>	<b>4.80</b>	<b>4.20</b>	<b>4.79</b>	<b>4.70</b>	<b>0.19</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of Profit & loss account of the company.
2. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.



## ANNEXURE XXXVI

## STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED

As per AS-18 "Related Party Disclosures" issued by the ICAI and notified by MCA, the disclosure of related parties and transactions with them as defined in the accounting standard has been given as under:

## I. NAMES OF RELATED PARTIES AND RELATED PARTY RELATIONSHIP

Related Party Relationship	Name of the Related Parties For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>A. Key Management Personnel</b>	Mr. Bhaumik Chetan Sanghvi	Mr. Bhaumik Chetan Sanghvi	Mr. Bhaumik Chetan Sanghvi	Mr. Bhaumik Chetan Sanghvi	Mr. Bhaumik Chetan Sanghvi
	Mr. Chetan Shantilal Sanghvi	Mr. Chetan Shantilal Sanghvi	Mr. Chetan Shantilal Sanghvi	Mr. Chetan Shantilal Sanghvi	Mr. Chetan Shantilal Sanghvi
				Mrs. Archana Chetan Sanghvi	Mrs. Archana Chetan Sanghvi
<b>B. Associate Concerns/ Entities in which managerial personnel/relative of key managerial personnel have significant influence</b>	M/s. Electra Battery Plate Mfg Co.	-	-	-	-
	M/s Electra Global Resources Pvt. Ltd.	M/s Electra Global Resources Pvt. Ltd.	M/s Electra Global Resources Pvt. Ltd.	M/s Electra Global Resources Pvt. Ltd.	M/s Electra Global Resources Pvt. Ltd.
	M/s Sanghvi Trading Pvt. Ltd.	M/s Sanghvi Trading Pvt. Ltd.	M/s Sanghvi Trading Pvt. Ltd.	M/s Sanghvi Trading Pvt. Ltd.	M/s Sanghvi Trading Pvt. Ltd.
	M/s Swastik Battery Industries.	M/s Swastik Battery Industries.	M/s Swastik Battery Industries.	M/s Swastik Battery Industries.	M/s Swastik Battery Industries.



## II. TRANSACTIONS WITH RELATED PARTIES DURING THE RELEVANT YEAR

(Amount Rs. In Lakhs)

Name of the Related Party	Nature of Transactions	2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
M/s. Electra Battery Plate Mfg Co.	Rent Paid	0.60	(0.60)	-	-	-	-	-	-	-	-
M/s Electra Global Resources Pvt. Ltd.	Loan Taken	-	-	-	-	-	-	10.00	-	-	-
	Loan repaid	-	-	-	-	-	-	10.00	-	-	-
	Sales	-	-	-	-	225.38	140.95	-	-	-	-
	Purchase	2630.89	(810.34)	981.90	(511.10)	-	-	-	-	-	-
Mrs. Archana Chetan Sanghvi	Salary Paid	-	-	-	-	-	-	10.00	-	11.00	-
M/s Sanghvi Trading Pvt. Ltd.	Interest Paid on Loan	-	-	-	-	-	-	10.00	-	38.29	-
	Loan Taken	-	-	-	-	-	-	-	-	-	(340.90)
	Loan Repaid	-	-	-	-	-	-	340.90	-	-	-
	Sales	-	-	-	-	-	-	51.20	29.61	74.52	-
M/s Swastik Battery Industries	Rent Paid	1.20	(1.20)	1.20	(1.20)	1.20	(1.20)	1.10	(1.10)	-	-
	Security Deposits	-	147.39	-	147.39	-	147.39	147.39	147.39	-	-
Mr. Bhaumik Chetan Sanghvi	Salary	9.00	(6.45)	9.00	(5.48)	9.00	(2.04)	12.00	-	12.00	-
	Unsecured Loan	-	(10.00)	-	(10.00)	15.00	(10.00)	-	-	-	-



Name of the Related Party	Nature of Transactions	2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction For the year Ended March 31, 2018	Amount Receivable/ (Payable) As At March 31, 2018	Amount of Transaction For the year Ended March 31, 2017	Amount Receivable/ (Payable) As At March 31, 2017	Amount of Transaction For the year Ended March 31, 2016	Amount Receivable/ (Payable) As At March 31, 2016	Amount of Transaction For the year Ended March 31, 2015	Amount Receivable/ (Payable) As At March 31, 2015	Amount of Transaction For the year Ended March 31, 2014	Amount Receivable/ (Payable) As At March 31, 2014
	Taken										
	Unsecured Loan Repayment	-	-	-	-	5.00	-	-	-	-	-
	Salary	9.00	(11.35)	9.00	(6.77)	9.00	(2.29)	12.00	-	12.00	(9.50)
	Rent Paid	0.30	(0.30)	0.30	(0.30)	0.30	(0.30)	0.28	(0.28)	-	-
	Security deposits	-	55.00	-	55.00	-	55.00	55.00	55.00	-	-
Mr. Chetan Shantilal Sanghvi	Unsecured Loan Taken	85.00	(334.00)	244.00	(290.15)	62.50	(46.15)	-	-	-	-
	Unsecured Loan Repayment	41.10	-	-	-	16.35	-	-	-	-	-





**ANNEXURE XXXVII**  
**STATEMENT OF KEY ACCOUNTING RATIOS AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	For the Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
I. Restated PAT As Per Statement of Profit & Loss	500.07	63.52	43.96	44.81	44.49
Weighted Average Number of Equity Shares At The End of The Year	76.45	34.75	34.75	23.22	3.34
Impact of issue of Bonus Shares	41.70	41.70	41.70	41.70	41.70
II. Weighted Average Number of Equity Shares At The End of The Year after adjustments of issue of Bonus Shares	76.45	76.45	76.45	64.92	45.04
Number of Shares Outstanding At The End of The Year	76.45	34.75	34.75	34.75	14.58
Impact of issue of Bonus Shares	-	41.70	41.70	41.70	41.70
Number of Shares Outstanding At The End of The Year after adjustment for issue of bonus shares	76.45	76.45	76.45	76.45	56.28
IV. Net Worth	1,391.82	891.75	828.24	785.66	337.34
V. Earnings Per Share (I/II)					
- Basic & Dilluted – Before Bonus	6.54	1.83	1.27	1.93	13.31
- Basic & Diluted – After Bonus	6.54	0.83	0.58	0.69	0.99
VI. Return on Net Worth (%)	35.93%	7.12%	5.31%	5.70%	13.91%
VI. Net Assets Value Per Share (Rs.) – Before Bonus	18.21	25.66	23.83	22.61	23.15
VII Net Assets Value Per Share (Rs.) – After Bonus	18.21	11.66	10.83	10.28	5.99
VIII. Nominal Value Per Share (Rs.)	10.00	10.00	10.00	10.00	10.00

**Notes:**

1. The Ratios have been computed on the basis of the Restated Summary Financial Statements.
2. The Ratio have been computed as per the following formulas:

Sr. No.	Particulars	Formula
a.	Basic Earnings Per Share (Rs.)	$\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares Outstanding During Year}}$
b.	Diluted Earnings Per Share (Rs.)	$\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares Outstanding During Year}}$
c.	Return on Net Worth (%)	$\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Net Worth As At The End Of The Year}}$
d.	Net Assets Value Per Share (Rs.)	$\frac{\text{Net Worth As At The End Of The Year}}{\text{Total Number of Equity Shares Outstanding As At The End Of The Year}}$

3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.



4. Net worth for ratios mentioned represents sum of share capital and reserves and surplus (surplus in the statement of profit and loss).
5. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE XXXVIII**  
**CAPITALISATION STATEMENT AS AT MARCH 31, 2018**

(Amount Rs. In Lakhs)

Particulars	Pre-Issue	Post-Issue
<b>I. BORROWINGS</b>		
A.SHORT TERM DEBTS	2195.07	[•]
B. LONG TERM DEBTS	752.71	[•]
<b>TOTAL DEBTS (I)</b>	<b>2947.78</b>	[•]
		[•]
<b>II. SHAREHOLDERS' FUND</b>		[•]
C. EQUITY SHARE CAPITAL	764.5	[•]
D. RESERVES & SURPLUS-AS RESTATED	627.32	[•]
<b>TOTAL SHAREHOLDERS' FUND (II)</b>	<b>1391.82</b>	[•]
		[•]
E. LONG TERM DEBTS/EQUITY (B/II)	0.54	[•]
F. TOTAL DEBTS/EQUITY (I/II)	2.12	[•]

**Notes:**

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.
2. The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
3. Short term debts represents borrowings due within 12 months from the date of balance sheet.
4. Long term debts represents borrowings due after 12 months from the date of balance sheet and includes current maturities of long term debts.
5. Long Term Debts/Equity has been computed as:
 

$$\frac{\text{Long Term Debts}}{\text{Total Shareholders' Fund}}$$
6. Total Debts/Equity has been computed as:
 

$$\frac{\text{Total Debts}}{\text{Total Shareholders' Fund}}$$





**ANNEXURE XXXIX**  
**STATEMENT OF TAX SHELTER AS RESTATED**

(Amount Rs. In Lakhs)

Particulars	As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
I. Profit/(Loss) Before Tax As Restated (A)	750.54	96.54	64.24	67.79	71.56
II. Tax Rates					
A. Income Tax	30.90%	30.90%	30.90%	30.90%	30.90%
B. Minimum Alternate Tax Rate	20.39%	19.06%	19.06%	19.06%	19.06%
III. Income Considered Under Other Heads of Income (B)	5.95	6.55	7.73	14.46	18.69
IV. Net Adjustments for Allowance/Disallowances:					
a. Permanent Differences					
Expenses disallowed under Income Tax Act, 1961	6.52	10.34	1.38	6.20	16.97
b. Timing Differences					
Depreciation as per Companies Act.	28.11	28.05	27.85	43.28	31.90
Less :- Depreciation as per Income Tax Act	50.82	36.53	47.10	52.31	35.61
Expenses disallowed under Income Tax Act, 1961	-	-	-	-	0.38
Total Disallowed as per Income Tax Act. ('C)	(16.19)	1.86	(17.87)	(2.83)	13.64
VII. Gross Taxable Income from Business (D)(A-B+C)	728.40	91.85	38.64	50.49	66.51
Add:- Income From Other Sources (E)	3.29	6.55	7.73	14.46	18.69
Add:- Income From Capital Gain(F)	-	-	-	-	-
Long Term Capital Gain on Mutual fund	2.66	-	-	-	-
Less :- Exempted Capital Gain on Mutual Fund	(2.66)	-	-	-	-
Gross Taxable Income (D+E+F)	731.70	98.40	46.37	64.94	85.19
Less Deduction u/s 80G					(1.29)
Net Taxable Income	731.70	98.40	46.37	64.96	83.91
VIII. Book Profit	750.54	96.54	64.24	67.79	71.56
Restated Profit/(Loss) As Per Section 115JB	750.54	96.54	64.24	67.79	71.56
IX. Income Tax on Restated Taxable Income (VII*II(A))	241.92	30.41	14.33	20.07	25.93
X. MAT On Restated Book Profit (VIII*II(B))	153.04	18.40	12.24	12.92	13.64
XI. TAX Paid As Per Normal Rate or MAT	Normal	Normal	Normal	Normal	Normal





**Notes:**

1. The Permanent and Timing Differences and other adjustments have been computed based on the return of income filed by the company for the respective years as adjusted for restatement effects.
2. The Tax Rates include basic rate, applicable surcharge, education cess and secondary & higher secondary education cess as applicable for respective years.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows

**ANNEXURE XXXX**

**RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH, 2018, 2017, 2016, 2015 AND 2014 AND STATEMENT OF PROFITS AND LOSSES AND CASH FLOWS FOR THE FINANCIAL YEARS ENDED ON 31<sup>ST</sup> MARCH, 2018, 2017, 2016, 2015 AND 2014**

**1. Segment Reporting:****i) Primary (Business) Segment**

In accordance with the requirements of Accounting Standard 17 "Segment Reporting" issued by the ICAI, the Company's business consist of one reportable segment i.e. Storage Batteries & allied products' hence no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given.

**ii) Secondary (Geographical) Segment**

Secondary segment reporting is performed on the basis of geographical location of the Customers. The operation of the Company comprises only domestic sales hence no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given.

**2. Defined Contribution Benefit Plans-Gratuity**

The details of components of net benefit expenses recognized in the statement of profit & loss and amounts recognized in the balance sheet and other relevant details have been given as under:

Particulars	(Amount Rs. In Lakhs)				
	For the Year Ended/As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>1. The Amount recognized in the Balance sheet are as follows</b>					
Present Value of Unfunded obligation Recognized	19.02	12.95	9.25	9.35	7.05
<b>Net Liability</b>					
<b>2. The Amounts recognized in the Profit &amp; Loss Account are as follows.</b>					
Current Service Cost	5.11	2.77	2.26	2.97	2.53
Interest on Defined Benefit obligation	0.97	0.74	0.74	0.57	-
Net Actuarial Losses / (Gains) recognized in Year	(0.01)	0.19	(3.10)	(1.24)	-
Past Service Cost	-	-	-	-	4.52
Total Included in Salaries Allowances & welfares	6.07	3.70	(0.09)	2.30	7.05
<b>3. Changes in Present value of defined benefit Obligations</b>					
Defined benefit obligation as at the beginning of the year	12.95	9.25	9.35	7.05	0
Service Cost	5.11	2.77	2.26	2.97	2.53
Interest Cost	0.97	0.74	0.74	0.56	-



Particulars	For the Year Ended/As At March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Actuarial Losses / (Gains)	(0.01)	0.19	(3.10)	(1.24)	-
Past Service Cost	-	-	-	-	4.52
Defined benefit obligation as at the end of the year	19.02	12.95	9.25	9.35	7.05
<b>Benefits Description</b>					
<b>Benefit Type:</b>					
<b>Gratuity Valuation as per Act</b>					
Retirement Age :	58 Years	58 Years	58 Years	58 Years	58 Years
Vesting period	5 Years	5 Years	5 Years	5 Years	5 Years
The Principal actuarial assumptions for the above are:					
Future Salary Rise	6% p.a.	6% p.a.	6% p.a.	6% p.a.	6% p.a.
Discount rate Per Annum	7.5% p.a.	7.5% p.a.	7.5% p.a.	7.5% p.a.	7.5% p.a.
Attrition Rate					
Withdrawal Rate (Per Annum) (18 to 30 Years)	1% to 5.00% p.a.	1% to 5.00% p.a.	1% to 5.00% p.a.	1% to 5.00% p.a.	1% to 5.00% p.a.
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

3. Disclosures on Specified Bank Notes (SBNs)  
For the Financial Year 2016-17

As required by MCA Notification No. G.S.R. 308(E) dated 31st March, 2017, the details of Specified Bank Notes (SBNs) and Other Denominations Notes for the period from 8th November, 2016 to 30th December, 2016 have been given as under:

Particulars	(Amount Rs. in Lakhs)		
	Specified Bank Notes (SBNs) (Rs.)	Other Denomination Notes (Rs.)	Total (Rs.)
Closing Cash On Hand As On 8 <sup>th</sup> November, 2016	10.00	23.51	33.51
(+) Permitted Receipts	-	5.52	-
(+) Amount Withdrawal	-	-	-
(-) Permitted Payments	-	(12.06)	(12.06)
(-) Amount Deposited In Banks	(10.00)	-	(10.00)
Closing Cash on Hand as on 31 <sup>st</sup> December, 2016	-	16.97	16.97

4. The company has initiated the process of obtaining confirmations from suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). In absence of the relevant information as to the status of the suppliers, the balance due to Micro, Small and Medium Enterprises and interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be disclosed or provided.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, including the related notes and reports, included in this Draft Red Herring Prospectus have been prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 22 and 21, respectively, and elsewhere in this Draft Red Herring Prospectus.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

### OVERVIEW

Our Company was originally incorporated as "Electra Accumulators Private Limited" at Vapi, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 26, 2009 bearing Corporate Identity Number U29100GJ2009PTC057053 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by members in Extraordinary General Meeting held on February 24, 2018 consequent to which the name of our Company was changed to "Electra Accumulators Limited" vide a Fresh Certification of Incorporation dated March 20, 2018, issued by Assistant Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification number of our company is U29100GJ2009PLC057053.

Incorporated in the year 2009, we have established ourselves as a brand, manufacturing wide range of Automotive, Inverter, E-Vehicle and solar batteries. We are mainly engaged in manufacturing of lead acid batteries which are used in Automotive, Inverter, E-vehicle and Solar industries under the brand name of "Electra" and "Geo Power".

Our Company is an ISO 9001:2015 and ISO 14001:2015 certified. Certain of our products are certified by IEC 60896-11 norms & IEC 61427-1:2013 norms. Our E-Vehicle batteries are tested and approved by International Centre for Automotive Technology (ICAT) and our Solar Batteries are tested and approved by Central Power Research Institute (CPRI), i.e. MNRE approved Laboratory.

Our Promoters, Chetan Sanghvi and Bhaumik Sanghvi are the guiding force behind the strategic decision backed by industry experienced professionals to run the operations. Further, our Promoter and Chairman, Chetan Sanghvi is President of Indian Battery and Accessories Industries Welfare Association. Bhaumik Sanghvi, joined the board of our Company in the year 2013 and since then he is directly involved in developing, planning, scheduling, and supervising the operations of the Company.



Being engaged in batteries industry which is largely dominated by unorganized sector competing on pricing, supplying qualitative products is of utmost importance in our industry and we strive to ensure that we adhere to quality standards. We believe in manufacturing and delivering quality products and our manufacturing process is under constant supervision by Engineers. We are dedicated towards supply of quality products by controlling the procurement of standard raw material, monitoring the process parameters, maintaining appropriate measures to manage hazardous materials and to comply with applicable statutory and regulatory requirements of our products.

Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process and easy logistics. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is integrated from procurement of raw materials to final testing.

We have in-house testing laboratory to test our raw materials to match the quality standards. Before commencement of the manufacturing process, the raw materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are checked in our in-house testing laboratory to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board approved and passed resolution on July 11, 2018, to raise funds by making Initial Public Offering.
2. The shareholders approved and passed resolution on July 12, 2018, to authorize the Board of Directors to raise funds by making Initial Public Offering.

#### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 22 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost and availability of Raw Materials;
- Competition from existing and new entrants;
- Changes in law and regulations that apply to the industry;
- Intensified competition in industries/sector in which we operate;
- General economic and business conditions.

#### **SIGNIFICANT ACCOUNTING POLICIES**

## **A. Basis of preparation of financial statements**

The Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014 and the annexure thereto (collectively, the "Restated Financial Statements" or "Restated Summary Statements") have been extracted by the management from the Financial Statements of the Company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

## **B. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## **C. Fixed Assets**

### **(i) Tangible Assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

### **(ii) Intangible assets**

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion. All cost, including financing costs till commencement of commercial production are capitalised.

## **D. Depreciation, Amortisation and Depletion**

### **(i) Tangible Fixed Assets**

Depreciation on the fixed assets has been provided for on straight line method at the rates prescribed and the management estimates the useful lives as per Schedule II to the Companies Act, 2013. Depreciation on additions is provided on Pro-rata basis for the period for which the Assets are put to use.

### **(ii) Intangible assets**

The Management estimates the useful lives for the fixed assets as per Schedule II to the Companies Act, 2013.

## **E. Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on First-in First-Out basis.

#### **F. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

##### **Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from operations is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government except Sales tax.

##### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

##### **Dividend Income**

Dividend Income is recognised when the Company’s right to receive the amount has been established.

#### **G. Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non-monetary foreign currency items are carried at cost.

In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities are restated at the year-end rates.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement, except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

#### **H. Retirement and other employee benefits**

Retire benefit in the form of Provident Fund is a defined contribution scheme. The contribution to Provident fund are charged to statement of profit and loss for the year when the contributions are due. The Company has no obligation other than contribution payable to the Provident fund. The company operates one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is

carried out for plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

#### **I. Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

#### **J. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

#### **K. Leases**



Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payment under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term.

#### **L. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

#### **M. Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

#### **N. Segment Reporting**

The Company has identified two operating systems viz., Automotive and Industrial. As per AS – 17: Operating Segments, due to similar nature of products, production, process, customer types, etc., the two operating systems have been aggregated as single operating system of “storage batteries and allied products” during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

#### **O. Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS**

#### **Revenue and Expenses**

Our revenue and expenses are reported in the following manner:

##### ***Total Revenue***

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations comprises of revenue generated from Sale of manufactured goods like batteries of automotive, solar, inverter & e-rickshaw and sale of trading goods like batteries of motor cycle, automotive, solar, inverter & e-rickshaw along with their accessories. Our revenue from operations also consists of other operating revenue. Our revenue from sale recognised inclusive of Sales Tax up to Value Added Tax (VAT) but after implementation of Goods and Service Tax (GST), we started to recognise sales excluding of GST.

The following table sets forth breakdown of our revenue from operations for the year indicated:

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Rs. in Lakhs	% of operating Revenue	Rs. in Lakhs	% of operating Revenue	Rs. in Lakhs	% of operating Revenue
Revenue from Sale of Traded Goods	2,650.72	35.92%	2,098.93	40.45%	2,091.17	40.47%
Revenue from Sale of Manufactured Goods	4,727.97	64.08%	3,080.14	59.36%	3,076.59	59.53%
Other Operating Income	-	-	9.89	0.19%	-	-
<b>Total Revenue from operations</b>	<b>7,378.69</b>	<b>100.00%</b>	<b>5,188.96</b>	<b>100.00%</b>	<b>5,167.76</b>	<b>100.00%</b>

*Other Income:* Our other income comprises recurring and non-recurring income which are also related to business activities as well as unrelated to business activities. Our recurring income which is related to business activities include income on term deposits interest and other interest along with foreign exchange gain. Our non-recurring income which is related to business activities include discount received, insurance claim received on goods lost by theft and income unrelated to business activities include profit on mutual fund.

### **Expenses**

Our expenses comprise of cost of material consumed, purchase of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefit expenses, finance costs, depreciation & amortisation expenses, other expenses and tax expenses.

*Cost of material consumed:* Our cost of material consumed comprises of cost incurred towards purchase of raw material such as Selenium Lead, Grey Oxide, Red Lead & Acid (of different gravity as per the specification), solar panels and the net increase or decrease in raw material stock at the beginning and end of the year.

*Purchase of stock-in-trade:* Our purchase of stock-in-trade comprises of cost on account of purchases of batteries of motor cycle, automotive, solar, inverter and e-rickshaw along with their accessories.

*Change in inventories of finished goods, work-in-progress and stock-in-trade:* Our change in inventories of finished goods, work-in-progress and stock-in-trade comprises change in inventory level of finished goods, work-in-progress and stock-in-trade during the period which is the difference of closing and opening balance along with adjustment of excise duty.

*Employee benefit expenses:* Our employee benefit expenses comprises of salary & wages, staff welfare expenses, bonus & other contribution and remuneration to directors.

*Finance costs:* Our finance costs comprises of interest expenses and other bank charges. Our interest expenses consist interest on secured loan from bank & non-banking financial institution and interest on unsecured loan from non-banking financial institution & others.

*Depreciation and amortization expenses:* Our depreciation and amortization expenses comprises of depreciation on tangible fixed assets and amortization of intangible assets.

*Other expenses:* Our other expenses comprises of manufacturing expenses and administrative & selling & distribution expenses. Our manufacturing expenses consist of factory general expenses, labour charges, power & fuel expenses, rent expenses, repairs & maintenance charges and transportation charges. Our administrative and selling & distribution expenses consist of advertisement & business promotion expenses, audit fees, commission & brokerage charges, communication expenses, computer expenses, electricity expenses, freight outward expenses, insurance expenses, preliminary expenses written off, professional charges, rates & taxes, rebate & discount expenses, rent expenses, repair and maintenance expenses, sales tax, statutory dues, travelling & conveyance expenses and other miscellaneous expenses.

Tax Expenses: Our tax expenses comprises of current tax and deferred tax. Current tax are income tax expenses calculated in accordance with tax regulations relevant to our business. Deferred tax are the deferred tax expenses/ (benefits) arising from the tax effects of timing difference between accounting and taxable income.

### Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years 2018, 2017 and 2016. The components of which are also expressed as a percentage of total revenue for such years:

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*
<b>Total Revenue:</b>						
Revenue from operations	7,378.69	99.92%	5,188.96	99.77%	5,167.76	99.63%
Other income	6.17	0.08%	12.22	0.23%	19.35	0.37%
<b>Total Revenue</b>	<b>7,384.86</b>	<b>100.00%</b>	<b>5,201.18</b>	<b>100.00%</b>	<b>5,187.11</b>	<b>100.00%</b>
<b>Expenses:</b>						
Cost of Material Consumed	3,205.93	0.43	2,040.16	0.39	2,265.10	0.44
Purchase of stock-in-trade	2,617.97	35.45%	2,100.82	40.39%	2,046.17	39.45%
Change in inventories of finished goods, stock-in- trade and work-in-progress	(963.16)	(13.04%)	(827.91)	(15.92%)	(1,001.14 )	(19.30%)
Employee benefit expenses	445.34	6.03%	346.41	6.66%	338.72	6.53%
Finance costs	339.36	4.60%	300.27	5.77%	297.73	5.74%
Depreciation and amortization expense	28.11	0.38%	28.05	0.54%	27.85	0.54%
Other expenses	960.77	13.01%	1,116.83	21.47%	1,148.43	22.14%
<b>Total Expenses</b>	<b>6,634.32</b>	<b>89.84%</b>	<b>5,104.64</b>	<b>98.14%</b>	<b>5,122.87</b>	<b>98.76%</b>
<b>Profit before exceptional, extraordinary items and tax</b>	<b>750.54</b>	<b>10.16%</b>	<b>96.54</b>	<b>1.86%</b>	<b>64.24</b>	<b>1.24%</b>
Extraordinary and Exceptional items	-	0.00%	-	0.00%	-	0.00%
<b>Profit before tax</b>	<b>750.54</b>	<b>10.16%</b>	<b>96.54</b>	<b>1.86%</b>	<b>64.24</b>	<b>1.24%</b>
Tax expense :						
(i) Current tax	241.92	3.28%	30.41	0.58%	14.33	0.28%
(ii) Deferred tax	8.55	0.12%	2.62	0.05%	5.95	0.11%
(iii) MAT Credit	-	0.00%	-	0.00%	-	0.00%
<b>Total Tax Expense</b>	<b>250.47</b>	<b>3.39%</b>	<b>33.03</b>	<b>0.64%</b>	<b>20.28</b>	<b>0.39%</b>
<b>Profit for the year</b>	<b>500.07</b>	<b>6.77%</b>	<b>63.52</b>	<b>1.22%</b>	<b>43.96</b>	<b>0.85%</b>

\* (%) column represents percentage of total revenue.

### FINANCIAL YEAR 2017-18 COMPARED WITH FINANCIAL YEAR 2016-17

#### Total Revenue

Our total revenue significantly increase by 41.98% to Rs. 7,384.86 lakhs for the financial year 2017-18 from Rs. 5,201.18 lakhs for the financial year 2016-17 due to the factors described below:

#### *Revenue from operations*

Our revenue from operations increased by 42.20% to Rs. 7,378.69 lakhs for the financial year 2017-18 from Rs. 5,188.96 lakhs for the financial year 2016-17. The increase was mainly due to significant increase in revenue from sale of manufactured goods by 53.50% to Rs. 4,727.97 lakhs for the financial year 2017-18 from Rs. 3,080.14 lakhs for the financial year 2016-17 and increase in revenue from sale of trading goods by 26.29% to Rs. 2,650.72 lakhs for the financial year 2017-18 from Rs. 2,098.93 lakhs for the financial year 2016-17. However there were no other operating income accrue during the financial year 2017-18 as compare to financial year 2016-17 amounting to Rs. 9.89 lakhs. Our revenue from sale of goods increase mainly due to change in our business strategy by shifting our focus from OEM to channel markets.

#### *Other income*

Our other income decreased by 49.51% to Rs. 6.17 lakhs for the financial year 2017-18 from Rs. 12.22 lakhs for the financial year 2016-17 mainly due to decrease in insurance claim on goods lost by theft by Rs. 4.24 lakhs, interest income on term deposits by Rs. 2.85 lakhs, foreign exchange gain by Rs. 1.20 lakhs and interest income on others by Rs. 0.41 lakh. However, the decrease was partially offset by increase in profit on sale of mutual fund by Rs. 2.66 lakhs.

#### *Total Expenses*

Our total expenses, excluding tax increased by 29.97% to Rs. 6,634.32 lakhs for the financial year 2017-18 from Rs.5,104.64 lakhs for the financial year 2016-17 due to increase in cost of material consumed, purchase of stock-in-trade, employee benefit expenses, finance cost and depreciation & amortization expenses which was off-set by decrease in other expenses as a result of following factors:

#### *Cost of material consumed*

Our cost of material consumed increased by 57.14% to Rs. 3,205.93 lakhs for the financial year 2017-18 from Rs. 2,040.16 lakhs for the financial year 2016-17 commensurate with the increase in our total revenue from sale of manufactured goods during the financial year 2017-18. Our cost of material consumed as a percentage of our total revenue from sale of manufactured goods has been increased to 67.81% in financial year 2017-18 as compared from 66.24% in financial year 2016-17.

#### *Purchase of stock-in-trade*

Our purchase of stock-in-trade increase by 24.62% to Rs. 2,617.97 lakhs for the financial year 2017-18 from Rs. 2,100.82 lakhs for the financial year 2016-17. Our purchase of stock-in-trade was increased in line to our growth in sale from trading goods during the financial year 2017-18. Our purchase of stock-in-trade as a percentage of our total revenue from sale of trading goods has been reduced to 98.76% in financial year 2017-18 as compared from 100.09% in financial year 2016-17.

#### *Employee benefits expenses*

Our employee benefit expenses increased by 28.56% to Rs. 445.34 lakhs for the financial year 2017-18 from Rs. 346.41 lakhs for the financial year 2016-17. The increase was mainly due to increase in salary & wages by Rs. 86.43 lakhs, bonus & other contribution by Rs. 6.88 lakhs and staff welfare expenses by Rs. 5.61 lakhs. Increase in our salary and wages was primarily due to increase in number of employees from 54 in financial year 2016-17 to 86 in financial year 2017-18.

#### *Finance costs*

Our finance costs increase by 13.02% to Rs. 339.36 lakhs for the financial year 2017-18 from Rs. 300.27 lakhs for the financial year 2016-17. The increase was mainly on account of increase in interest expenses by Rs. 34.98 lakhs and other bank charges by Rs. 4.11 lakhs. The increase in our interest expenses was due to increase in interest expenses on secured loans from bank & non-banking financial institutions by Rs. 42.32 lakhs and interest expenses on unsecured loans from non-banking financial institution by Rs. 4.26 lakhs. However, the increase in our interest expenses was partially offset by decrease in interest expenses on unsecured loans from others by Rs. 11.61 lakhs.

#### *Depreciation and amortisation expense*

Our depreciation and amortisation expenses slightly increased by 0.21% to Rs. 28.11 lakhs for the financial year 2017-18 from Rs. 28.05 lakhs for the financial year 2016-17. The slightly increased in our depreciation and amortization expenses was mainly on account of addition of factory building, plant & machinery, furniture and trade mark in our fixed assets value.

#### *Other expenses*

Our other expenses decreased by 13.97% to Rs. 960.77 lakhs for the financial year 2017-18 from Rs. 1,116.83 lakhs for the financial year 2016-17. The decrease was mainly due to decrease in sales tax by Rs. 310.04 lakhs, freight outward expenses by Rs. 12.38 lakhs, statutory dues by Rs. 6.41 lakhs,, factory general expenses by Rs. 2.32 lakhs, communication expenses by Rs. 1.26 lakhs and electricity expenses by Rs. 0.40 lakh. However, the decrease was partially offset by increase in rebate & discount expenses by Rs. 50.89 lakhs, labour charges by Rs. 28.46 lakhs, transportation charges by Rs. 28.36 lakhs, rate & taxes by Rs. 15.74 lakhs, professional charges by Rs. 14.18 lakhs, commission & brokerage expenses by Rs. 13.88 lakhs, travelling & conveyance charges by Rs. 11.42 lakhs, power & fuel expenses by Rs. 4.51 lakhs,, rent expenses by Rs. 1.52 lakhs, insurance expenses by Rs. 1.28 lakhs, computer expenses by Rs. 1.02 lakhs, miscellaneous expenses by Rs. 4.47 lakhs, among others.

#### *Profit/Loss before tax*

Our profit before tax significantly increased by 677.44% to Rs. 750.54 lakhs for the financial year 2017-18 from Rs. 96.54 lakhs for the financial year 2016-17 due to increase and improvement in our overall business activity.

#### *Tax expenses*

Our tax expenses significantly increased by 658.31% to Rs. 250.47 lakhs for the financial year 2017-18 from Rs. 33.03 lakhs for the financial year 2016-17 mainly due to increase in our profit before tax in the financial year 2017-18. The increase in tax expenses was mainly on account of increase in current tax expenses by Rs. 211.51 lakhs and deferred tax expenses by Rs. 5.93 lakhs.

#### *Profit after tax*

Our profit after tax significantly increased by Rs. 687.26% to Rs. 500.07 lakhs for the financial year 2017-18 from Rs. 63.52 lakhs for the financial year 2016-17 due to the factor mentioned above.

### **FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16**

#### ***Total Revenue***

Our total revenue slightly increased by 0.27% to Rs. 5,201.18 lakhs for the financial year 2016-17 from Rs. 5,187.11 lakhs for the financial year 2015-16 due to the factors described below:

#### *Revenue from operations*

Our revenue from operations slightly increased by 0.41 % to Rs. 5,188.96 lakhs for the financial year 2016-17 from Rs. 5,167.76 lakhs for the financial year 2015-16. The increase was mainly due to increase in other operating income by Rs. 9.89 lakhs, revenue from sale of trading goods by 0.37% to Rs. 2,098.93 lakhs for the financial year 2016-17 from Rs. 2,091.17 lakhs for the financial year 2015-16 and increase in revenue from sale of manufactured goods by 0.12% to Rs. 3,080.14 lakhs for the financial year 2016-17 from Rs. 3,076.59 lakhs for the financial year 2015-16. The increase in our revenue from other operating was on account of repair of our manufactured batteries during the financial year 2016-17 for Rs. 9.89 lakhs as compared to nil for the financial year 2015-16.

#### *Other income*

Our other income decreased by 36.85% to Rs. 12.22 lakhs for the financial year 2016-17 from Rs. 19.35 lakh for the financial year 2015-16 mainly due to decrease in income on sundry balance written off by Rs. 11.55 lakhs, interest income from others by Rs. 1.58 lakhs. However, the decrease was partially offset by increase in insurance claim received on goods lost by theft by Rs. 4.24 lakhs, gain on foreign exchange difference by Rs. 1.35 lakhs and interest income on term deposits by Rs. 0.40 lakh.

#### *Total Expenses*

Our total expenses, excluding tax decreased by 0.36% to Rs. 5,104.64 lakhs for the financial year 2016-17 from Rs. 5,122.87 lakhs for the financial year 2015-16, due to decrease in cost of material consumed, change in inventories of finished goods, work-in-progress & stock-in-trade and other expenses which was off-set by increase in purchase of stock-in-trade, employee benefit expenses, finance costs and depreciation & amortization expenses as a result of following factors:

#### *Cost of material consumed:*

Our cost of material consumed decreased by 9.93% to Rs. 2,040.16 lakhs for the financial year 2016-17 from Rs. 2,265.10 lakhs for the financial year 2015-16. Our cost of material consumed as a percentage of our total revenue from sale of manufactured goods was decreased to 66.24% in financial year 2016-17 as compared from 73.62% in financial year 2015-16.

#### *Purchase of stock-in-trade*

Our purchase of stock-in-trade increased by 2.67% to Rs. 2,100.82 lakhs for the financial year 2016-17 from Rs. 2,046.17 lakhs for the financial year 2015-16. Our purchase of stock-in-trade as a percentage of our total revenue from sale of traded goods was increased to 100.09% in financial year 2016-17 as compared from 97.85% in financial year 2015-16.

#### *Employee benefits expense*

Our employee benefits expense increased by 2.27% to Rs. 346.41 lakhs for the financial year 2016-17 from Rs. 338.72 lakhs for the financial year 2015-16. The increase was mainly due to increase in bonus & other contribution by Rs. 23.87 lakhs. However, the increase was partially offset by decrease in salary & wages by Rs. 14.95 lakhs and staff welfare expenses by Rs. 1.24 lakhs.

#### *Finance costs*

Our finance costs slightly increased by 0.85% to Rs. 300.27 lakhs for the financial year 2016-17 from Rs. 297.73 lakhs for the financial year 2015-16. The increase was mainly due to increase interest expenses on secured loans from bank by Rs. 6.31 lakhs, interest expenses on unsecured loans from others by Rs. 8.94 lakhs and bank charges by Rs.2.72 lakhs. However, the increase was partially offset by decrease in interest expenses on secured & unsecured loans taken from non-banking financial institutions by Rs. 9.99 lakhs.

### *Depreciation and amortisation expense*

Our depreciation expense slightly increased by 0.72% to Rs. 28.05 lakhs for the financial year 2016-17 from Rs. 27.85 lakhs for the financial year 2015-16. The slightly increased in our depreciation expenses was mainly on account of addition of plant & machinery, motor car and computers in our tangible fixed assets block.

### *Other expenses*

Our other expenses slightly decreased by 2.75% to Rs. 1,116.83 lakhs for the financial year 2016-17 from Rs. 1,148.43 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in sales tax by Rs. 95.78 lakhs, freight outward expenses by Rs. 10.54 lakhs, advertisement & business promotion expenses by Rs. 8.56 lakhs, rent expenses by Rs. 6.74 lakhs, repair & maintenance charges by Rs. 3.52 lakhs, rates & taxes by Rs. 2.00 lakhs, miscellaneous expenses by Rs. 1.46 lakhs, among others. However, the increase was partially off-set by increase in power & fuel charges by Rs. 27.42 lakhs, transportation charges by Rs. 23.14 lakhs, statutory dues by Rs. 19.39 lakhs, travelling & conveyance charges by Rs. 9.20 lakhs, factory general expenses by Rs. 6.22 lakhs, rebate & discount charges by Rs. 3.95 lakhs, labour charges by Rs. 3.48 lakhs, communication expenses by Rs. 1.72 lakhs, commission & brokerage expenses by Rs. 1.65 lakhs, computer expenses by Rs. 1.24 lakhs, among others.

### *Profit/Loss before tax*

Our profit before tax increased by 50.28% to Rs. 96.54 lakhs for the financial year 2016-17 from Rs. 64.24 lakhs for the financial year 2015-16.

### *Tax expenses*

Our tax expense increased by 62.87% to Rs. 33.03 lakhs for the financial 2016-17 from Rs. 20.28 lakhs for the financial year 2015-16 mainly due to increase in our profit before tax in the financial year 2016-17. The increase in our tax expenses was on account of increase in our current tax expenses by Rs. 16.08 lakhs which was off-set by decrease in deferred tax expenses by Rs. 3.33 lakhs.

### *Profit /Loss after tax*

Our profit after tax increased by 44.49% to Rs. 63.52 lakhs for the financial year 2016-17 from Rs. 43.96 lakhs for the financial year 2015-16 due to factor mentioned above.

### **Other Key Ratios**

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2018, 2017 and 2016:

Particulars	For the year ended March 31,		
	2018	2017	2016
Fixed Asset Turnover Ratio	19.59	21.09	19.44
Inventory Turnover Ratio	1.57	1.47	1.89
Debt Equity Ratio	2.12	2.52	2.45
Current Ratio	1.32	1.32	1.24

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements. Intangible Assets have been included in calculation of Total Fixed Assets, however, Capital Work-in-Progress has not been included.



*Inventory Turnover Ratio:* This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Information.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

### **Cash Flow**

The table below summaries our cash flows from our Restated Financial Information for the financial years 2018, 2017 and 2016:

(Rs. in lakhs)

Particulars	For the year ended March 31,		
	2018	2017	2016
Net cash (used in)/ generated from operating activities	(185.73)	74.19	211.53
Net cash (used in)/ generated from investing activities	(142.76)	3.39	(25.49)
Net cash (used in)/ generated from financing activities	388.41	(117.27)	(104.51)
Net increase/ (decrease) in cash and cash equivalents	59.92	(39.70)	81.53
Cash and Cash Equivalents at the beginning of the period	90.96	130.66	49.13
Cash and Cash Equivalents at the end of the period	150.88	90.96	130.66

### **Operating Activities**

#### *Financial year 2017-18*

Our net cash used in operating activities was Rs. 185.73 lakhs for the financial year 2017-18. Our operating profit before working capital changes was Rs. 1,117.91 lakhs for the financial year 2017-18 which was adjusted by payment of income tax of Rs. 260.51 lakhs, increase in inventories of finished goods, work-in-progress and stock-in-trade by Rs. 1,562.37 lakhs, increase in trade payables by Rs. 616.29 lakhs, increase in trade receivables by Rs. 567.41 lakhs, increase in other current liabilities by Rs. 391.49 lakhs, increase in short term & long term provision by Rs. 206.25 lakhs, increase in short term loan & advances by Rs. 91.57 lakhs, increase in long term loan & advances by Rs. 35.64 lakhs and increase in other current assets by Rs. 0.17 lakh.

#### *Financial year 2016-17*

Our net cash generated from operating activities was Rs. 74.19 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 420.59 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 29.39 lakhs, increase in inventories of finished goods, work-in-progress and stock-in-trade by Rs. 766.83 lakhs, decrease in trade receivables by Rs. 518.48 lakhs, decrease in trade payables by Rs. 183.95 lakhs, increase in other current liabilities by Rs. 81.09 lakhs, increase in short term & long term provision by Rs. 27.68 lakhs, increase in short term loan & advances by Rs. 15.08 lakhs, decrease in long term loan & advances by Rs. 13.91 lakhs and decrease in other current assets by Rs. 7.69 lakhs.

#### *Financial year 2015-16*

Our net cash generated from operating activities was Rs. 211.53 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 381.93 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 11.88 lakhs, increase in inventories of finished goods, work-in-progress and stock-in-trade by Rs. 827.45 lakhs, increase in trade payables by Rs. 823.92 lakhs, increase in trade receivables by Rs. 540.65 lakhs, decrease in short term loan & advances by Rs. 426.78 lakhs, decrease in short term & long term provision by Rs. 71.56 lakhs, increase

in other current liabilities by Rs. 20.37 lakhs, decrease in long term loan & advances by Rs. 16.16 lakhs, and increase in other current assets by Rs. 6.08 lakhs.

### ***Investing Activities***

#### ***Financial Year 2017-18***

Net cash used in investing activities was Rs. 142.76 lakhs for the financial year 2017-18. This was primarily on account of purchase of fixed assets worth Rs. 158.71 lakhs which was partially offset by sale of investment amounting to Rs. 12.66 lakhs, interest income on term deposits by Rs. 3.17 lakhs and interest income on others by Rs. 0.11 lakh.

#### ***Financial year 2016-17***

Net cash generated from investing activities was Rs. 3.39 lakhs for the financial year 2016-17. This was primarily on account of sale of investments amounting to Rs. 5.00 lakhs, interest income on term deposits by Rs. 6.03 lakhs and interest income on others by Rs. 0.52 lakh which was partially offset by purchase of fixed assets worth Rs. 8.16 lakhs.

#### ***Financial year 2015-16***

Net cash used in investing activities was Rs. 25.49 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets worth Rs. 32.22 and purchase of investment of Rs. 1.00 lakh which was partially offset by interest income on term deposits by Rs. 5.63 lakhs and interest income on others by Rs. 2.10 lakhs.

### ***Financing Activities***

#### ***Financial year 2017-18***

Net cash generated from financing activities for the financial year 2017-18 was Rs. 388.41 lakhs primarily consisting of increase in short term borrowings by Rs. 487.55 lakhs, increase in long term borrowings by Rs. 214.25 lakhs and increase in other long term liabilities by Rs. 25.96 lakhs which was partially offset by payment of interest and other bank charges of Rs. 339.36 lakhs.

#### ***Financial year 2016-17***

Net cash used in financing activities for the financial year 2016-17 was Rs. 117.27 lakhs primarily consisting of payment of interest and other bank charges of Rs. 300.27 lakhs and decrease in other long term liabilities by Rs. 33.08 lakhs which was partially offset by increase in long term borrowings by Rs. 164.45 lakhs and increase in short term borrowings by Rs. 51.62 lakhs.

#### ***Financial year 2015-16***

Net cash used in financing activities for the financial year 2015-16 was Rs. 104.51 lakhs primarily consisting of payment of interest and other bank charges of Rs. 297.73 lakhs and decrease in long term borrowings by Rs. 4.29 lakhs which was partially offset by increase in short term borrowings by Rs. 167.52 lakhs and increase in other long term liabilities by Rs. 29.99 lakhs.

### ***Financial Indebtedness***

As on March 31, 2018, the total outstanding borrowings of our Company was Rs. 2,947.78 lakhs comprising of long-term borrowings amounting to Rs. 557.91 lakhs, short-term borrowings amounting to Rs. 2,195.07 lakhs and current maturities of long term debt of Rs. 194.80 lakhs. For further details, refer chapter titled “Financial Indebtedness” beginning on page 257 of this Draft Red Herring Prospectus.

(Rs. in lakhs)

Particulars	As at March 31, 2018
<b>Long Term Borrowings</b>	
<i>Secured Loans</i>	

Particulars	As at March 31, 2018
- Term Loans from Financial Institutions	100.41
<i>Unsecured Loans</i>	
- Loans from Financial Institutions	113.46
- Loan from Related Parties	344.04
<b>Sub Total (A)</b>	<b>557.91</b>
<b>Short Term Borrowings</b>	
<i>Secured Loan</i>	
-Working Capital Facility from Banks	2,195.07
<b>Sub Total (B)</b>	<b>2,195.07</b>
<b>Current Maturities of Long Term Borrowings (C)</b>	<b>194.80</b>
<b>Total (A)+(B)+(C)</b>	<b>2,947.78</b>

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

#### ***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, Purchases & Sales of Goods, Advances given and taken and reimbursement of Expenses. For further details of such related parties under AS18, refer chapter titled “Financial Statements” beginning on page 239 of this Draft Red Herring Prospectus.

#### ***Contingent Liabilities***

As on March 31, 2018, our Company has the following contingent liabilities as per restated financial statements:

(Rs. in lakhs)

Particulars	As at March 31, 2018
Bank guarantees Uttarakhand Renewable Energy Development Agency [UREDA]	1.38
Bank guarantees-VAT Registration Department-Indore	0.10
Bank guarantees-VAT Registration Department-Rajasthan	0.20
Bank guarantees-Assistant Commissioner of Sales Tax - Ghaziabad	0.25
Income Tax CIT-A [A.Y.2014-15]	5.15
<b>Total</b>	<b>7.08</b>

#### ***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

#### ***Qualitative Disclosure about Market Risk***

##### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

##### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

**Effect of Inflation**

We are affected by inflation as it has an impact on the purchase of raw material cost, stock-in-trade cost, wages, overhead cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

**Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

**Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 239 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

**Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 239 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 01, 2015 up to March 31, 2018.

**Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

**Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

**Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus.

**Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

**Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2017-18 compared with financial year 2016-17 and Financial Year 2016-17 Compared With Financial Year 2015-16*” above.

#### **Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our business is limited to a single reportable segment.

#### **Competitive Conditions**

We have competition with Indian and international manufacturers, traders and service providers and our results of operations could be affected by competition in the automotive industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “Risk Factors” beginning on page 22 of this Draft Red Herring Prospectus.

#### **Increase in income**

Increases in our income are due to the factors described above in this chapter under “*Significant Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus.

#### **Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

#### **Significant Dependence on a Single or Few Suppliers or Customers**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company’s customer and supplier vis a vis the total revenue and total purchases of Goods & Services from operations respectively as of March 31, 2018 is as follows:

Particulars	Customers	Suppliers
	Mar 31, 2018	Mar 31, 2018
Top 5 (%)	44.79	53.00
Top 10 (%)	58.20	60.69

#### **Seasonality of Business**

The nature of business is not seasonal.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

### SECURED BORROWINGS

**1. Loan of Rs. 2252.00 Lakhs from Union Bank of India ("UBI") as per Sanction letter dated November 30, 2017.**

*(Rs.in lakhs)*

Nature of facility	Sanction Limit	Margin	Rate Of Interest	Primary Security	Outstanding as on July 15, 2018
Cash credit limit	2000.00	25% stock & book debt	MCLR 1 Year i.e. +3.90% 12.10%	Hypothecation of stock and book debt	2147.09
Inland/ Import LC (DP/DA 90 Days)	(200.00)	25%	Usual	Hypothecation of Stock	
Inland/ Import LC (DP/DA 90 Days)	200.00	25%	Usual	Hypothecation of Stock	
Bank Guarantee	50.00	25%	Usual	Counter Indemnity and Lien on FDR'S held as margin	
Term Loan-I	1.00	25%	MCLR 1 Year i.e. +4.15% 12.35%	Hypothecation of Fixed Assets Purchase from the Banks Loan Plant & Machinery	
Term Loan-II	1.00	25%	MCLR 1 Year i.e. +4.15% 12.35%	Hypothecation of Fixed Assets Purchase from the Banks Loan Plant & Machinery	
<b>Total</b>	<b>2252.00</b>				<b>2147.09</b>

### Collateral Securities:

- a) Land & Building on plot No.165/B/14 at GIDC, Vapi, Dist. Valsad, Gujarat in the name of M/S Swastik Battery Industries.
- b) Land & Building on plot No. 136/I/1 at GIDC, Vapi, Dist. Valsad Gujarat in the name of M/S Swastik Battery Industries.
- c) Flat No. 501, 5<sup>th</sup> Floor, Hemu Castle, Dadabhai Road, Vile Parle (West), Mumbai-56 in the name of Mr. Chetan Sanghvi & Mrs. Archana Sanghvi
- d) Flat No.2/C, Ground floor, Building No. B, Deep Tower, Golani Complex, Waliv, Vasai (East) Dist. Thane in the name of Chetan Sanghvi
- e) Shop No.19, Ground floor, Mahavir Arcade Shopping Association, Survey No. 555 at Vapi, Dist. Valsad Gujarat in the name of Mr.Chetan sanghvi
- f) FDR

- g) KBC Mutual Fund
- h) SUD Life Insurance Policy
- i) Land & Building at Gut No. 230/1, Village Pimpalnare, Tal- Didori, Dist.-Nasik in the name of Swastik Batteries Industries. Land admeasuring 8700 sq. mt. and industrial shade area admeasuring 484.86 Sq. mt.  
(Security in common with limits of Rs. 9.00 Cr Electra Global Resources Pvt. Ltd.) Total value of security

**Personal Guarantee:**

- a) Chetan Sanghvi
- b) Bhaumik Sanghvi
- c) Archana Sanghvi

**Corporate Guarantee:**

M/S Swastik Battery Industries.

**General terms and conditions:-**

- a) Party to submit stock insurance and collateral securities of adequate value with bank clause prior to release of limits.
- b) Prior to the release of the enhanced limits, borrower to obtain Permission under clause 2(R) of the lease deed from GIDC for enhanced limit sanctioned to the company.
- c) Branch will ensure that the SUD Life policy and KBC unit are assigned in favour of the Bank.
- d) Branch will obtain second title search report for collateral properties valuing more than Rs.5.00crores before release of enhanced CC limit and will ensure reading to be satisfactory.
- e) Borrower to ensure that there are no inter transfer of funds among sister concerns except for genuine business transactions.
- f) CA certificate for the turnover in the current account of PNB to be submitted prior to the release of the enhanced limits and reading to be satisfactory.
- g) Share application money to be converted into equity. Borrower to give undertaking giving specific date by which it is to be converted into equity.
- h) Statutory dues, if any, to be paid by borrower before disbursement of the loan.
- i) Declaration to be obtain from the borrower that the level of unsecured loan will be maintained at the existing level in the business on a long term basis during the currency of the bank loan.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

**2. Term Loan of Rs. 35.50 Lakhs from Electronica Finance Limited (“EFL”) as per Sanction letter dated February 19, 2018 for purchase of machineries as per the details mentioned below:  
(Rs. in lakhs)**

Nature of facility	Type of machinery	Sanctioned Amount	Rate Of Interest	Tenure (Months)	Amount Outstanding as on July 15, 2018
Term loan	Main power control centre	14.20	10.99%	24	30.61
	Power Distribution Boards	10.65			
	Outdoor duty Power Distribution	10.65			



	Transformer				
	<b>Total</b>	<b>35.50</b>			

**Primary Security:**

The machinery loan is secured is primarily secured by the machines for which the loan facility is obtained.

**Personal Guarantee:**

- a) Chetan Sanghvi
- b) Bhaumik Sanghvi
- c) Archana Sanghvi

**General terms and conditions:**

- a) All taxes related to this transaction and with respect to all collaterals given by you shall be borne by Borrower in present and future
- b) Borrower shall under no circumstances avail any loan facility against the assets hypothecated to EFL as mentioned above till issuance of NOC.
- c) In case LIC assignment- receipt of timely premium payments shall be submitted by borrower within 7 days of demand made by EFL
- d) Any refund by EFL to borrower shall be done after due deductions of all outstanding amounts
- e) Borrower shall issue TDS certificate, without fail, with respect to each EMI within the statutory time limit to enable EFL to claim the necessary deductions from the authorities established under law.
- f) Charge of EFL shall continue on all the aforesaid Hypothecated assets taken as Primary or additional collateral in all earlier agreements with borrower till EFL issue NOC for the present loan.
- g) Borrower shall submit original Tax Invoices of all machines covered under Primary Security to EFL within 10 days of EFL disbursement and the tax invoice shall mention "Hypothecated to Electronica Finance Limited". Interest @ 24%p.a. will be applicable, from the date of the disbursement by EFL, if not submitted within 10 days. EFL has right to recall the loan if borrower fail to submit within 30 days.
- h) Rate of Interest is subject to change during the Loan Tenure depending on the market conditions.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

**3. Loan of Rs. 100.30 Lakhs from Reliance Commercial Finance Limited ("RCFL") as per Sanction letter dated October 01, 2017 for purchase of machinery as per the details mentioned below:**

*(Rs.in Lakhs)*

Nature of facility	Description of machinery	Sanctioned Amount	Rate Of Interest / Commission	Tenure	Outstanding as on July 15, 2018
Term Loan	5 units of Regulated Environment Chamber	100.30	11% p.a.	60 months	91.22

	Machine from Unik Techno Systems Private Ltd.				
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### **SECURITIES:**

#### **Primary Securities:**

The loan is primarily secured by the machines for which the loan facility is obtained.

#### **Collateral Security:**

Collateral money-25% of the loan amount.

#### **General Terms and conditions:**

- Borrower shall keep RCFL advised of any circumstances adversely affecting their financial position including any action taken by any creditor, Government authority against them.
- The borrower shall not sell, transfer, assign, lease, gift, mortgage, or otherwise create any third party right on the fixed assets mortgage/ charged to RCFL without prior approval of the RCFL in writing.
- The Borrower shall pay the charges to RCFL as per the RCFL's standard scheduled of charges for various services rendered by the RCFL. The loan shall be utilised for the purpose for which it is sanctioned.
- All securities offered for the facility are to be insured comprehensively for full value covering all risks with assignment in favour of RCFL as first lost payee.
- The RCFL reserves the right to discontinue the facility and to withhold/stop any disbursement without giving any notice in case of non-compliance/breach of any terms and conditions stipulated herein.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

#### **4. Loan of Rs. 20.61 Lakhs from Dewan Housing Finance Corporation Limited ("DHFL") as per Sanction letter dated May 05, 2015.**

(Rs.in Lakhs)					
Nature of facility	Description of machinery	Sanctioned Amount	Rate Of Interest / Commission	Tenure (Months)	Outstanding as on July 15, 2018
Term Loan	Transformers from Ghyanshyam Electricals	20.61	16%	60 Months	8.52
	Bottom Sealing machine from Changzhou B & F international Trading Co. Ltd				
	Transformer from Siddharth Transformers				

**SECURITIES:****Primary Securities:**

- a) First Charge by way of exclusive hypothecation lien mark on the Performa invoice and invoices in favour of DHFL covering the entire assets.

**Key Restrictive Covenants:-**

**During the currency of bank credit facilities, the unit will not without the bank prior permission on writing do the certain act-**

- a) The borrower shall not use the loan for any anti-social or speculative purposes or a purpose other than stated with loan application.
- b) The Borrower shall not use or allow the Hypothecated Assets to be engaged in any unlawful or illegal activity resulting in damage or loss and/ or confiscated or seizure of the said Hypothecated Assets.
- c) The Borrower shall not effect or agree to effect any change in the constitution, management or existing ownership or control or share capital of the Borrower or take or agree to take any action of merger, consolidation, reorganisation, or amalgamation including creation of any subsidiary or permit any company to become its subsidiary without prior consent of DHFL in writing.
- d) The Borrower shall not acquire all or part of the assets of any person, on lease or otherwise, or any class of shares or debentures or partnership interest or similar interest of any person except with the prior approval of DHFL in writing.
- e) The Borrower shall not make any alterations/modifications to the Hypothecated Asset and shall not change or alter or tamper with any unique identification number assigned to the Hypothecated Asset without the prior written consent of DHFL.
- f) The Borrower shall not utilise the loan for subscription to or purchases of shares and debenture, repayment of dues of the associated concerns, any other purposes, extending loans to subsidiaries or associate companies or making any inter corporate deposits, for speculative purpose or for investment in real estate.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

**5. Loan of Rs.10.88.00Lakhs from Reliance Capital Limited (“RCL”) for purchase of machinery as per Sanction letter dated January 31, 2014:**

(Rs.in Lakhs)

Nature of facility	Description of machinery	Sanctioned Amount	Rate Of Interest / Commission	Tenure (Months)	Outstanding as on July 15, 2018
Term Loan	2 Tubular Positive Filling machines form Unik Techno Systems Pvt. Ltd.	10.88	12.50%	60 Months	1.42

**Primary Security:**

The loan is primarily secured by the machines for which the loan facility is obtained

**Collateral Security:**

Collateral money-25% of the loan amount

**General Terms and Conditions:**

- a) All securities offered for the facility are to be insured comprehensively for full value covering all risks with assignment in favour of RCL as first lost payee
- b) The borrower shall not sell, transfer, assign, lease, gift, mortgage, or otherwise create any third party right on the fixed assets mortgage/ charged to RCL without prior approval of the RCL in writing.
- c) The RCL reserves the right to discontinue the facility and to withhold/stop any disbursement without giving any notice in case of non-compliance/breach of any terms and conditions stipulated herein
- d) RCL may at its sole discretion disclose any information relating to borrower to any institution including but not limited to CIBIL, Banks/ Financial Institution/RBI in connection with the credit facilities granted to the borrower if requested by such institution.
- e) In the event any of the information provided by Borrower is found to be false, this Term Sheet shall stand revoked, cancelled and withdrawn without any prior notice to Borrower in that regard.
- f) Original invoice with hypothecation in favour of RCL shall be submitted.

**6. Loan of Rs.39.06 Lakhs from Reliance Capital Limited (“RCL”) for purchase of machinery as per Sanction letter dated November 29, 2013****(Rs.in Lakhs)**

<b>Nature of facility</b>	<b>Description of machinery</b>	<b>Sanctioned Amount</b>	<b>Rate Of Interest / Commission</b>	<b>Tenure (Months)</b>	<b>Outstanding as on July 15, 2018</b>
Term Loan	Pressure Die Casting machine PDC 300	39.06	12.50%	60 Months	4.95

**Primary Securities:**

The loan is primarily secured by the machines for which the loan facility is obtained

**Collateral Security:**

Collateral money-15% of the loan amount

**General terms and conditions:**

- a) The Borrower shall bear and pay all duties, Taxes in connection with the purchase of asset proposed to be financed.
- b) PLR, effective interest rate, fees, commission, and other charges are subject to change at any time at the sole discretion of RCL and all interest rate; fees, commission, and other charges are exclusive of interest tax/service tax (if applicable)
- c) The borrower shall not sell, transfer, assign, lease, gift, mortgage, or otherwise create any third party right on the fixed assets mortgage/ charged to RCL without prior approval of the RCL in writing.
- d) The RCL reserves the right to discontinue the facility and to withhold/stop any disbursement without giving any notice in case of non-compliance/breach of any terms and conditions stipulated herein
- e) All securities offered for the facility are to be insured comprehensively for full value covering all risks with assignment in favour of RCL as first lost payee
- f) RCL may at its sole discretion disclose any information relating to borrower to any institution including but not limited to CIBIL, Banks/ Financial Institution/RBI in connection with the credit facilities granted to the borrower if requested by such institution.

- g) In the event any of the information provided by Borrower is found to be false, this term sheet stand revoked, cancelled and withdrawn without any prior notice to Borrower in that regard. The Borrower shall keep RCL advised of any circumstances adversely affecting their financial position including any action taken by any creditor, Government authority against them.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

#### **UNSECURED BORROWING FROM NBFC/FINANCIAL INSTITUTIONS**

- 1. Loan of Rs. 40.00 Lakhs from Shriram City Union Finance Limited as per sanction letter dated February 28, 2018.**

**(Rs. in Lakhs)**

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	40.00
Rate of Interest	19% p.a.
EMI Amount	1.47
Tenor	36
Amount Outstanding as on July 15, 2018	36.59

- 2. Loan of Rs.25.00 Lakhs from Magma Fincorp Limited as per sanction letter dated February 23, 2018**

**(Rs. in Lakhs)**

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	25.00
Rate of Interest	18.50% p.a.
EMI Amount	1.25
Tenor	24 Months
Amount Outstanding as on July 15, 2018	20.52

- 3. Loan of Rs.25.00 Lakhs from Aditya Birla Finance Limited as per sanction letter dated March 27, 2018**

**(Rs. in Lakhs)**

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	25.00 Lakhs
Rate of Interest	18.25% p.a.
EMI Amount	0.91
Tenor	36 Months
Amount Outstanding as on July 15, 2018	22.84

- 4. Loan of Rs.35.00 Lakhs from Tata Capital Financial Services Limited as per sanction letter dated November 29, 2017.**

**(Rs. in Lakhs)**

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	35.00
Rate of Interest	18.00% p.a.
EMI Amount	1.74
Tenor	24 Months
Amount Outstanding as on July 15, 2018	26.05

- 5. Loan of Rs. 25.00 Lakhs from United Petro Finance Limited as per sanction letter dated November 28, 2017.**

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	25.00
Rate of Interest	26.75% p.a.
EMI Amount	1.70
Tenor	18 Months
Amount Outstanding as on July 15, 2018	16.37

6. Loan of Rs. 25.50 Lakhs from Neo Growth Private Limited as per sanction letter dated August 02, 2017

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	25.50
EMI Amount	1.23
Tenor	12 Months
Amount Outstanding as on July 15, 2018	25.88

7. Loan of Rs. 35.20 Lakhs from Indiabulls IVL Finance Limited as per sanction letter dated July 19, 2017

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	35.20
Rate of Interest	18.5% p.a.
EMI Amount	1.77
Tenor	24 Months
Amount Outstanding as on July 15, 2018	20.66

8. Loan of Rs. 25.00 Lakhs from HDB Financial Services Limited as per sanction letter dated March 06, 2017.

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	25.00
Rate of Interest	19% p.a.
EMI Amount	0.92
Tenor	36 Months
Amount Outstanding as on July 15, 2018	14.25

9. Loan of Rs. 40.10 Lakhs from Edelweiss Retail Finance Limited as per sanction letter dated October 05, 2016.

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	40.10
Rate of Interest	18.00% p.a.
EMI Amount	1.45
Tenor	36 Months
Amount Outstanding as on July 15, 2018	19.34

10. Loan of Rs. 25.00 Lakhs from Magma Fincorp Limited as per sanction letter dated April 28, 2016

(Rs. in Lakhs)

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	25.00
Rate of Interest	19.43% p.a.
EMI Amount	From June, 2016 to May, 2017-Rs. 1.18 lakhs From June, 2017 to May, 2018- Rs. 1.05 lakhs From June, 2018 to June, 2019- Rs. 3.93 lakhs
Tenor	36 Months
Amount Outstanding as on July 15, 2018	3.60

**11. Loan of Rs. 50.00 Lakhs from Deutsche Bank as per sanction letter dated October 17, 2015**  
(Rs. in Lakhs)

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	50.00
Rate of Interest	13.35% p.a.
EMI Amount	1.69
Tenor	36 Months
Amount Outstanding as on July 15, 2018	4.92

**12. Loan of Rs.17.17 Lakhs from Bajaj Finserv Limited as per sanction letter dated September 16, 2015**  
(Rs. in Lakhs)

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	17.17
Rate of Interest	17.5% p.a.
EMI Amount	0.50
Tenor	48 Months
Amount Outstanding as on July 15, 2018	6.69

**13. Loan of Rs.35.00 Lakhs from Ratnakar Bank Limited as per sanction letter dated July 31, 2015**  
(Rs. in Lakhs)

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	35.00
Rate of Interest	18.5% p.a.
EMI Amount	1.27
Tenor	36 Months
Amount Outstanding as on July 15, 2018	1.26

**14. Loan of Rs.25.00 Lakhs from Jana Small Finance Bank as per sanction letter dated June 23, 2018.**  
(Rs. in Lakhs)

<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	25.00
Rate of Interest	18.% p.a.
EMI Amount	0.90
Tenor	36 Months
Amount Outstanding as on July 15, 2018	25.00

**15. Loan of Rs. 25.00 Lakhs from HDFC Bank Limited as per sanction letter dated June 29, 2018**  
(Rs. in Lakhs)



<b>Nature of Facility</b>	<b>Business Loan</b>
Loan Amount	25.00
Rate of Interest	16.5% p.a.
EMI Amount	0.89
Tenor	36 Months
Amount Outstanding as on July 15, 2018	25.00

#### **UNSECURED LOAN FROM DIRECTORS\***

**The details of unsecured loan are as follows:**

**(Rs. in Lakhs)**

<b>Name of Director</b>	<b>Amount Outstanding as on July 15, 2018</b>
Chetan Sanghvi	349.05
Bhaumik Sanghvi	10.00

## **SECTION VI- LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT**

Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on July 19, 2018 determined that outstanding dues to creditors in excess of Rs. 25 lakhs as per last audited financial statements shall be considered as material dues ("Material Dues").

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered 'material' for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds Rs. 30 lakhs as determined by our Board, in its meeting held on July 19, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Prospectus.

### **LITIGATIONS INVOLVING OUR COMPANY**

#### **LITIGATIONS AGAINST OUR COMPANY**

##### **Criminal Litigations**

Nil

## **Civil Proceedings**

Nil

## **Taxation Matters**

### **1. INCOME TAX COMMISSIONER V. ELECTRA ACCUMULATORS PRIVATE LIMITED AY 2014-15**

Our Company filed Income Tax return for the assessment year 2014-15 and showed total income of Rs. 83,90,590/-. Income Tax Officer (“ITO”) issued notice for scrutiny under Section 143(2) of the Income Tax Act, 1961 on September 03, 2015. ITO also issued notice for furnishing paper book on September 11, 2015. The ITO alleged that our Company had received interest income from various parties and our Company has not showed Interest income amounting to Rs. 3,12,584/-. ITO also alleged that our Company had paid interest to various NBFC amounting to Rs. 8,99,420/- without deducting tax at source. The ITO disallowed the deduction and added back Rs. 3,12,584/- and Rs. 8,99,420/- into the income of our Company vide assessment order dated December 29, 2016. The total income calculated by ITO amounted to Rs. 96,02,600/-. The ITO issued demand notice dated December 29, 2016 under Section 156 of the Income Tax Act, 1961 for the amount of Rs. **5,15,390/-**. ITO also initiated penalty proceeding against our Company under Section 271(1)(C) of the Income Tax Act, 1961 vide notice dated December 29, 2016. Our Company filed application for stay on January 22, 2017 against the demand order dated December 29, 2016. Our Company had also filed appeal on January 25, 2017 with Income Tax Commissioner under Section 246 & 246A of the Income Tax Act, 1961 against the assessment order dated December 29, 2016. The matter is currently pending.

### **2. COMMISSIONER OF CENTRAL EXCISE CUSTOMS & SERVICE TAX V. ELECTRA ACCUMULATORS PRIVATE LIMITED (SERVICE TAX MATTER)AY 2014-15**

Our Company is manufacturer of the automotive and tubular batteries. Our Company is engaged in the manufacturing of excisable goods and holding Central Excise registration no. AACCE3088MEM001. Assistant Commissioner of Central Excise & Custom, (“ACCEC”) Vapi issued show cause notice bearing no. V(Ch.30)3-72/DEM/Electra/14-15 dated January 07, 2015 (“**SCN 1**”) under Rule 14 of the Cenvat Credit rules, 2004 read with Section 11A(4) of the Central Excise Act, 1944 and demanded recovery of Cenvat credit of Rs. 4,40,439/- on sales commission for the period of May 2013 to June 2014. ACCEC also demanded interest under Rule 14 of the Cenvat Credit rules, 2004 read with Section 11A of the Central Excise Act, 1944. ACCEC further issue show cause notice dated June 25, 2015 (“**SCN 2**”) to our Company under Section under Rule 14 of the Cenvat Credit rules, 2004 read with Section 11A(4) of the Central Excise Act, 1944 and demanded recovery of Cenvat credit of amount of Rs. 74,910/- for the period from July 2014 to February 2015. Our Company replied on February 4, 2015, August 5, 2015 and July 03, 2015 to the SCN 1 and SCN 2 and informed that our Company has not taken any service tax credit in respect of commission paid to the commission agent for the period from March 2015 to December 2015. ACCEC passed an order dated February 29, 2016 and held that our Company is liable to pay Cenvat credit of Rs. **4,40,439/-** along with interest of Rs. **1,45,345/-** and penalty amount of Rs. **1,10,110/-**. ACCEC also passed an order dated February 29, 2016 and held that our Company is liable to pay Cenvat credit of Rs. **74,910/-** along with interest of Rs. **14,607/-** and penalty amount of Rs. **1,873/-**. Our Company also replied vide letter dated March 09, 2016 and submitted that our Company had availed Cenvat credit of service tax amounting to Rs. 2,53,576/- for the period from January, 2016 to February, 2016 in respect of sales commission paid to commission agent for the sale of their products. Our Company had filed an appeal on May

13, 2016 under Section 35(1) of the Central Excise Act, 2004 in form S.T – 4 against the order dated February 29, 2016 with Commissioner of Central Excise Customs and Service Tax (“CCECS”). ACCEC further issued show cause notice (“SCN 3”) dated January 25, 2017 under Rule 14 of the Cenvat Credit rules, 2004 read with Section 11A(4) of the Central Excise Act, 1944 for the amount of Rs. **2,53,576/-** for the period of January, 2016 to February 2016. Our Company replied to the SCN 3 on February 14, 2017. CCECS passed an order dated May 22, 2018 and granted stay on the matter, as the Central Excise and Service Tax Appellate Tribunal filed tax appeal in a similar matter before High Court of Gujarat and that matter is currently pending. The matter is currently pending.

**3. COMMISSIONER OF CENTRAL EXCISE CUSTOMS & SERVICE TAX V. ELECTRA ACCUMULATORS PRIVATE LIMITED (EXCISE MATTER)AY 2014-15**

Our Company is manufacturer of the automotive and tubular batteries. Our Company is engaged in the manufacturing of excisable goods and holding Central Excise registration no. AACCE3088MEM001. Our Company purchased raw material amounting to Rs. 18,94,237/- from Jammu Pigments Private Limited on October 14, 2010 bearing invoice no. 129. Our Company had taken Cenvat credit of Rs. 1,76,887/- on the invoice issued by Jammu Pigments Private Limited. Deputy Commissioner of Central Excise & Customs (“DCCEC”) issued show cause notice F. No. V(Ch. 85)3-92/ DEM/ Electra/ Vapi-I/ 2014-15 dated March 21, 2016 under Rule 14 of the Cenvat Credit rules, 2004 read with Section 11A(4) of the Central Excise Act, 1944. DCCEC alleged that transporting vehicle mentioned in the sale invoice were not found crossed in the records of toll post of Excise & Taxation Department, Lakhanpur (J&K) and Madhopur (Punjab). DCCEC alleged that they have conducted investigation against Jammu Pigments Private Limited and found that certain invoices issued by Jammu Pigments Private Limited was not found in the records of toll post of Lakhanpur. DCCEC alleged that our Company had availed Cenvat Credit without receiving the raw material/Input. DCCEC alleged that our Company had violated Rule 2(k) and 3(1) of the Cenvat Credit Rules, 2004 and that our Company availed Cenvat Credit on ineligible invoices. DCCEC passed an order dated January 25, 2017 and ordered to recover Cenvat Credit of Rs. **1,76,887/-** under Rule 14 of Cenvat Credit Rules, 2004 read with Section 11A(4) of the Central Excise Act, 1944. DCCEC also levied penalty of Rs. **1,76,887/-** under Rule 15(2) of Cenvat Credit Rule, 2004 read with Section 11AC of the Central Excise Act, 1944. DCCEC also order to recover interest under Rule 14 of the Cenvat Credit Rules, 2004 read with section 11AA of the Central excise Act, 1944. Our Company filed an appeal on with Commissioner of Central Excise Custom & Service Tax (“CCECS”) under Section 35 of the Central Excise Act, 1944 in form E.A – 1 on April 28, 2017. CCECS passed an order dated May 01, 2018 under Section 35 of the Central Excise Act, 1944 and rejected the appeal. The matter is currently pending for the payment.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Proceedings against Our Company for economic offences/securities laws/ or any other law**

Nil

**Penalties in Last Five Years**

Nil

**Pending Notices against our Company**

Nil

**Past Notices to our Company**

Nil

**Disciplinary Actions taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material frauds against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATIONS FILED BY OUR COMPANY****Criminal Litigations****1. ELECTRA ACCUMULATORS PRIVATE LIMITED V. MATER TRADING COMPANY PRIVATE LIMITED, AJAY SHARMA AND RAKESH**

Our Company is manufacturer of the automotive and tubular batteries. Mater Trading Company Private Limited (“**Mater**”) bought batteries from our Company vide dated March 27, 2014 amounting to Rs. 14,53,346/- and received letter of credit from Mater on March 31, 2014. Our Company received email from Mater vide dated April 04, 2014 mentioning “*PLZ FIND ATTACH HEREWITH LC COPY AND PLZ ACCEPT IT AS OUR PURCHASE ORDER ALSO*”. Our Company alleged that certain facts were missing from the letter of credit and informed Mater vide email dated April 09, 2014 to do necessary changes. Our Company arranged transport vehicle for the delivery of the said batteries. Mater paid Rs. 20,000/- to our Company without any intimation. On being asked, Mater replied that it has its own transport facility i.e. Jai Maa Kaali Road Carrier and assigned him for delivery of goods. Our Company paid Rs. 20,000/- to Rakesh (owner of Jai Maa Kaali Road Carrier) and received consignment note from him. Our Company received letter from Kapol Co-operative Bank Limited (“**Kapol bank**”) on June 18, 2014 stating that documents submitted by the Mater to Bank for letter of credit to be forwarded to standard chartered Bank have been returned. Our Company sent a letter to Kapol bank on June 20, 2014 regarding discrepancies in documents. Our Company dispatched goods amounting to Rs. 14,53,346/- vide invoice dated April 30, 2014. Mater informed our Company that transport vehicle met with an accident on May 10, 2014. ICICI Lombard General Insurance Company Limited issued accident reference number and sent survey report to our Company on May 15, 2014. Our Company informed the Mater and Rakesh about the accident. Our Company informed Rakesh to bring back goods to the premises of our Company. Rakesh informed our Company that Mater gave him instruction to deliver goods at Nepal. Mater confirmed and assure our Company that he will make payment once goods will reach to its godown. Mater informed our Company that they received the goods on May 17, 2014. Mater informed that he will check the batteries and will make payment for the batteries. Our Company alleged that Mater did not inform anything nor did Mater make any payment. Our Company had filed complaint with Andheri Police Station on October 13, 2014 under Section 406 and 420 of the Indian Penal Code, 1860. Our Company further filed case bearing no. 654/SW/2014 under Section 406, 407 and 420 of the

Indian Penal Code, 1860 in the Metropolitan Magistrate Court at Andheri, Mumbai. The matter is currently pending.

**2. ELECTRA ACCUMULATORS PRIVATE LIMITED V. MR. GANGADHAR U.V**

Our Company is manufacturer of the automotive and tubular batteries. Mr. Gangadhar U.V (“Gangadhar”) is the owner of the M/s. Kanakdurga Auto Electricals. Our Company sold automotive and tubular batteries in the year 2012-13 to the Gangadhar bearing invoice no. 5 dated April 08, 2013, invoice no. 93 dated May 27, 2013 and invoice no. 173 dated July 08, 2013 amounting to total of Rs. 20,04,468/-. Our Company paid advance tax at the rate of 2 percent to sales tax authority as per the Central Sales Tax Act, 1956. As per the Central Sales Tax Rules, 1957, whenever any advance tax is paid from the seller in respect of the goods sold to the buyer, the said sales tax are reflected in Income Tax assessment of buyer’s. The detail of said advance tax are filled up in C-forms with the declaration form of the buyer’s. Thereafter C-forms are supplied to the seller so that seller can claim rebate in respect of his tax assessment. Additionally, the Buyer is supposed to supply C-form to the seller as per the provision of the Rule 12(2) of the Central Tax Rules, 1957. Gangadhar did not provided C- form to our Company as required as per the provision of the Central Sales Tax Rules, 1957. Our Company sent legal notice dated April 17, 2017 and October 09, 2017, respectively to Gangadhar regarding issue of C-form. Our Company filed written complaint dated February 03, 2018 against Gangadhar under Section 406 and 420 of the Indian Penal Code, 1860, with the Andheri Police Station. Our Company filed case bearing no. 5657/SW/2018 before Metropolitan Magistrate 65<sup>th</sup> Court at Andheri, Mumbai under Section 406 and 420 of the Indian Penal Code, 1860. The matter is currently pending.

**3. ELECTRA ACCUMULATORS PRIVATE LIMITED V. PAE LIMITED AND OTHERS.**

Our Company is manufacturer of the automotive and tubular batteries. Our Company sold goods to PAE Limited (“PAE”) vide purchase order bearing no. GP500015 & GP500016 dated August 07, 2015 for a total amounting to Rs. 52,86,500/- vide invoices dated EAPL/ 15-16/0168, EAPL 15-16/0187, EAPL/15-16/0196, EAPL/15-16/0200, EAPL/15-16/0201, EAPL/15-16/0205 and EAPL/ 15-16/0209. PAE issued cheques as follows for the payment consideration.

Cheque bearing no. 201528 dated November 19, 2015 amounting to Rs. 3,19,274/-.  
Cheque bearing no. 201587 dated November 22, 2015 amounting to Rs. 3,87,027/-.  
Cheque bearing no. 201610 dated November 23, 2015 amounting to Rs. 5,67,182/-.  
Cheque bearing no. 201612 dated November 24, 2015 amounting to Rs. 1,71,497/-.  
Cheque bearing no. 201904 dated December 10, 2015 amounting to Rs. 13,94,992/-.  
Cheque bearing no. 201664 dated December 08, 2015 amounting to Rs. 2,25,429/-.  
Cheque bearing no. 201661 dated December 04, 2015 amounting to Rs. 2,50,000/-.  
Cheque bearing no. 201662 dated December 06, 2015 amounting to Rs. 2,50,000/-.  
Cheque bearing no. 201663 dated December 07, 2015 amounting to Rs. 2,50,000/-.

Our Company did not deposited the said cheques within the period on account of false assurances and promises made by PAE to our Company. PAE made part payment vide RTGS dated November 20, 2015. Our Company deposited all the cheques on February 24, 2016. Our Company alleged that as per the instruction of the PAE, our Company deposited the said cheques again on February 23, 2016 for the realisation. However, said cheques was dishonoured on the grounds of “insufficient funds”. PAE informed our Company that they will issue fresh cheque. Our Company sent legal notice dated March 23, 2016 for the part payment of Rs. 34,96,129/-. Our Company alleged that PAE did not replied to the legal notice. Hence our Company filed case bearing no. 4312190/SS/2016 under Section 138 of the Negotiable Instruments Act, 1881 on May 07, 2016 in the Metropolitan Magistrate 43<sup>rd</sup> Borivali Court. The Magistrate passed an order

dated January 31, 2017 and issued summons against the directors of PAE limited. Karthikeyan Muthuswamy who is director of PAE Limited along with others filed revision application no. CRA 212 of 2017 in the Hon'ble Session Court at Mumbai against the order dated January 31, 2017. The matter is currently pending.

**4. ELECTRA ACCUMULATORS PRIVATE LIMITED V. RAM SONI**

Our Company is manufacturer of the automotive and tubular batteries. Ram Soni ("Ram") is the proprietor of the M/s. Rajesh Automobiles. Our Company sold batteries to Ram bearing invoice no. EAPL/RAJ/2015-16/024 vide dated April 27, 2015 amounting to Rs. 1,86,939/-. Ram issued cheque bearing no. 815495 dated November 07, 2016 for the amount of Rs. 1,85,837/- to our Company. The said cheque was dishonoured on the ground of "Funds Insufficient" vide dated November 17, 2016. Our Company sent legal notice to Ram on December 08, 2016. Ram did not make the payment nor replied to the legal notice sent to him. Hence, our Company filed case bearing no. 696/SS/2017 under Section 138 of the Negotiable Instrument Act, 1881 in the Metropolitan Magistrate Court at Andheri, Mumbai on January 31, 2017. The matter is currently pending.

**5. ELECTRA ACCUMULATORS PRIVATE LIMITED V. SALEEM AHMAD**

Our Company is manufacturer of the automotive and tubular batteries. Saleem Ahmad ("Saleem") is the owner of the M/s. Saif Battery. Our Company sold batteries to Saleem on September 30, 2014 vide invoice no. EAPL/GHZ/2014-15/00159 amounting to Rs. 2,45,168/-. Saleem issued cheque bearing no. 026278 on November 07, 2016 amounting to Rs. 1,61,646/- for the payment consideration. Our Company deposited the cheque and cheque was dishonoured on the ground of "Accounts Closed". Our Company sent legal notice to Saleem on December 08, 2016. Saleem neither replied nor made payment. Hence, our Company filed case bearing no. 697/SS/2017 under Section 138 of the Negotiable Instrument Act, 1881 in Metropolitan Magistrate Court at Andheri, Mumbai on January 31, 2017. The matter is currently pending.

**6. ELECTRA ACCUMULATORS PRIVATE LIMITED V. R.K. SANKARAN**

Our Company is manufacturer of the automotive and tubular batteries. R.K.Sankaran ("Sankaran") is proprietor of the Chennai Gas Services. Our Company sold batteries to Sankaran on April 14, 2012 bearing invoice no. 41 amounting to Rs. 4,09,159/-. Our Company paid advance tax at the rate of 2% to sales tax authority as per the Central Sales Tax Act, 1956. As per the Central Sales Tax Rules, 1957, whenever any advance tax is paid from the seller in respect of the goods sold to the buyer, the said sales tax are reflected in Income Tax assessment of buyer's. The details of said advance tax are filled up in C-forms with the declaration form of the buyer's. Thereafter, the C-forms are supplied to the seller so that seller can claim rebate in respect of his tax assessment. Accordingly, the Buyer is supposed to supply C-form to the seller as per the provision of the Rule 12(2) of the Central Tax Rules, 1957. Our Company has alleged that Sankaran did not provided C-forms to our Company as required as per the Rule 12(2) of the Central Tax Rules, 1957. Our Company sent legal notice to Sankaran dated April 17, 2017 regarding issue of C-form. Our Company also filed written police complaint with Andheri Police Station on February 03, 2018 under Section 406 and 420 of the Indian Penal Code, 1860 and submitted that the advance sales tax paid by our Company has been misappropriated by Sankaran (representing Chennai Gas Services). Our Company filed case under Section 406 and 420 of the Indian Penal Code, 1860 against Sankaran on in the Metropolitan Magistrate 65<sup>th</sup> Court at Andheri, Mumbai. The matter is currently pending.



**7. ELECTRA ACCUMULATORS PRIVATE LIMITED V. CLASS MECH EQUIPMENT PRIVATE LIMITED AND OTHERS**

Our Company is manufacturer of the automotive and tubular batteries. Harishchandra Raut and Milan Raut (“Harish & Milan”) are directors of the Class Mech Equipments Private Limited (“CMEPL”). Our Company sold goods to CMEPL amounting to Rs. 3,60,102/-. Our Company paid advance tax at the rate of 2% to sales tax authority as per the Central Sales Tax Act, 1956. As per the Central Sales Tax Rules, 1957, whenever any advance tax is paid from the seller in respect of the goods sold to the buyer, the said sales tax are reflected in Income Tax assessment of buyer’s. The details of said advance tax are filled up in C-forms with the declaration form the buyer’s. Thereafter C-forms are supplied to the seller so that seller can claim rebate in respect of his tax assessment. Accordingly, the Buyer is supposed to supply C-form to the seller as per the provision of the Rule 12(2) of the Central Tax Rules, 1957. Our Company has alleged that Harish and Milan did not provided C-forms to our Company as required as per the Rule 12(2) of the Central Tax Rules, 1957. Our Company sent legal notice to Harish and Milan dated April 17, 2017 regarding issue of C-form. Our Company also filed written police complaint with Andheri Police Station on February 03, 2018. Our Company filed case under Section 406 and 420 of the Indian Penal Code, 1860 against Harish and Milan on in the Metropolitan Magistrate 65<sup>th</sup> Court at Andheri, Mumbai. The matter is currently pending.

**8. ELECTRA ACCUMULATORS PRIVATE LIMITED V. MOHAMMAD KHAN**

Our Company is manufacturer of the automotive and tubular batteries. Mohammad Khan (“Mohammad”) is proprietor of the M/s. National Auto Battery. Our Company sold and supplied automotive and tubular batteries to Mohammad on August 27, 2011 November 12, 2011, January 05, 2012 and February 27, 2012 for the total amounting to Rs. 16,81,957/-. Our Company paid advance tax at the rate of 2% to sales tax authority as per the Central Sales Tax Act, 1956. As per the Central Sales Tax Rules, 1957, whenever any advance tax is paid from the seller in respect of the goods sold to the buyer, the said sales tax are reflected in Income Tax assessment of buyer’s. The detail of said advance tax are filled up in C-forms with the declaration form the buyer’s. Thereafter, the C-forms are supplied to the seller so that seller can claim rebate in respect of his tax assessment. Accordingly, the Buyer is supposed to supply C-form to the seller as per the provision of the Rule 12(2) of the Central Tax Rules, 1957. Our Company has alleged that Mohammad did not provided C-forms to our Company as required as per the Rule 12(2) of the Central Tax Rules, 1957. Our Company sent legal notice to Mohammad vide dated April 17, 2017 regarding issue of C-form. Our Company also filed written police complaint with Andheri Police Station on February 03, 2018. Our Company filed case under Section 406 and 420 of the Indian Penal Code, 1860 against Mohammad in the Metropolitan Magistrate 65<sup>th</sup> Court at Andheri, Mumbai. The matter is currently pending.

**9. ELECTRA ACCUMULATORS PRIVATE LIMITED V. ANIL MEHNDIRATTA**

Our Company is manufacturer of the automotive and tubular batteries. Anil Mehndiratta (“Anil”) is proprietor of the M/s. S.K.N Industries. Our Company sold and supplied automotive and tubular batteries to Anil on January 30, 2013, February 21, 2013, March 12, 2013 and April 15, 2013 for the total amounting to Rs. 6,53,524/-. Our Company paid advance tax at the rate of 2% to sales tax authority as per the Central Sales Tax Act, 1956. As per the Central Sales Tax Rules, 1957, whenever any advance tax is paid from the seller in respect of the goods sold to the buyer, the said sales tax are reflected in Income Tax assessment of buyer’s. The detail of said advance tax are filled up in C-forms with the declaration form the buyer’s. Thereafter, the C-forms are supplied to the seller so that seller can claim rebate in respect of his tax assessment. Accordingly,

the Buyer is supposed to supply C-form to the seller as per the provision of the Rule 12(2) of the Central Tax Rules, 1957. Our Company has alleged that Anil did not provided C-forms to our Company as required as per the Rule 12(2) of the Central Tax Rules, 1957. Our Company sent legal notice to Anil vide dated April 17, 2017 regarding issue of C-form. Our Company also filed written police complaint with Andheri Police Station on February 03, 2018. Our Company filed case under Section 406 and 420 of the Indian Penal Code, 1860, against Anil in the Metropolitan Magistrate 65<sup>th</sup> Court at Andheri, Mumbai. The matter is currently pending.

**10. ELECTRA ACCUMULATORS PRIVATE LIMITED V. KIRAN KATKAR**

Our Company is manufacturer of the automotive and tubular batteries. Kiran Katkar (“Kiran”) is the owner of the M/s. Urja Vikas Solar System. Our Company sold and supplied automotive and tubular batteries to Kiran on October 05, 2013 vide invoice no. EAPL/ 13-14/0287 for the total amounting to Rs. 1,90,019/-. Our Company paid advance tax at the rate of 2% to sales tax authority as per the Central Sales Tax Act, 1956. As per the Central Sales Tax Rules, 1957, whenever any advance tax is paid from the seller in respect of the goods sold to the buyer, the said sales tax are reflected in Income Tax assessment of buyer’s. The detail of said advance tax are filled up in C-forms with the declaration form the buyer’s. Thereafter, C-forms are supplied to the seller so that seller can claim rebate in respect of his tax assessment. Accordingly, the Buyer is supposed to supply C-form to the seller as per the provision of the Rule 12(2) of the Central Tax Rules, 1957. Our Company alleged that Kiran did not provided C-forms to our Company as required as per the Rule 12(2) of the Central Tax Rules, 1957. Our Company sent legal notice to Kiran vide dated April 17, 2017 regarding issue of C-form. Our Company also filed written police complaint with Andheri Police Station on February 03, 2018. Our Company filed case under Section 406 and 420 of the Indian Penal Code, 1860 against Kiran on in the Metropolitan Magistrate 65<sup>th</sup> Court at Andheri, Mumbai. The matter is currently pending.

**11. ELECTRA ACCUMULATORS PRIVATE LIMITED V. RAM MILAN MAURYA**

Our Company is manufacturer of the automotive and tubular batteries. Ram Milan Maurya (“RAM”) is the owner of M/s. Gold Care. Our Company sold and supplied batteries to Ram on September 30, 2015 vide invoice dated EAPL/ LKW/ 2015-16- 0443 amounting to Rs. 1,23,587/- . Ram issued cheque bearing no. 018053 on November 27, 2017 for the amount of Rs. 1,23,587/-. The cheque was dishonoured with remark “Accounts Blocked”. Our Company informed the Ram about the dishonour of the cheque. Ram again issued fresh cheque bearing no. 015175 on April 09, 2018 for the amount of Rs. 1,23,587/- for the purchase consideration. Our Company deposited the said cheque for encashment. Cheque was dishonoured on the grounds of “Payment stopped by Drawer”. Our Company sent a legal demand notice on May 11, 2018, however, the notice was returned with remark that “Prapt Karta Se Mulakat Nahi Hua”. Hence Our Company filed case in Metropolitan Magistrate Court at Andheri on June 12, 2018 under Section 138 of the Negotiable Instruments Act, 1938. The matter is currently pending.

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

## **LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**

### **LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

#### **Criminal Litigations**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

#### **Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

#### **Directors on list of wilful defaulters of RBI**

Nil

### **LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

#### **Criminal Litigations**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

## **LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**

### **LITIGATIONS AGAINST OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past.**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**LITIGATIONS FILED BY OUR PROMOTER/S****Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING OUR GROUP COMPANIES**

## **LITIGATIONS AGAINST OUR GROUP COMPANIES**

### **Criminal Litigations**

Nil

### **Civil Proceedings**

Nil

### **Taxation Matters**

Nil

### **Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

### **Past Penalties imposed on our Group Companies**

Nil

### **Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

### **Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies**

Nil

### **Adverse finding against Group Companies for violation of Securities laws or any other laws**

Nil

## **LITIGATIONS FILED BY OUR GROUP COMPANIES**

### **Criminal Litigations**

Nil

### **Civil Proceedings**

Nil

### **Taxation Matters**

Nil

### **Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

## **LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

**AS ON DATE OF THIS PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY.**

## **OTHER MATTERS**

Nil

**DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

**OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

Nil

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 240 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of March 31, 2018, our Company had 54 creditors, to whom a total amount of Rs. 1,998.01 lakhs was outstanding. As per the requirements of SEBI ICDR Regulations, our Company, pursuant to a resolution of our Board dated July 19, 2018, considered creditors to whom the amount due exceeds Rs. 25 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Creditors</b>	<b>Amount (Rs. in Lakhs)</b>
Electra Global Resources Pvt. Ltd	810.34
Shree Balaji Metal & Alloys	432.10
Balaji Plastic {India}	111.96
Sun Shakthi Solar Systems	71.58
Shyam Enterprise	57.68
Manika Moulds Pvt. Ltd	54.93
Empire Lead Refineries Pvt. Ltd	45.76
Goldcoin Plastic Pvt. Ltd	37.06
Polar Industries	33.60
Leo Industries	29.47
Wada Ingots Pvt. Ltd	27.74

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see the website of our Company [www.electrabatteries.in](http://www.electrabatteries.in).

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, [www.electrabatteries.in](http://www.electrabatteries.in), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business as a manufacturer of the automotive and tubular batteries, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “Key Industry Regulations and Policies” on page 193 of this Draft Red Herring Prospectus.

The Company has its business located at:

**Registered Office:** 19, Mahavir Nagar, National Highway No: 8, Vapi – 396195, Gujarat, India

**Manufacturing Unit:**

Unit – I: Plot no. 165/A/4 & 165/A/5, Phase II, Vapi – 396195, Gujarat, India

Unit – II: Plot No. 136/I/1, GIDC, Phase II, Vapi- 396195, Gujarat, India

Unit – III: Plot No. 165/B/14, GIDC, 2nd Phase, BHD, VIA Hall, Vapi-396195, Gujarat, India

**Branch Offices:**

Name of the branch	Address of the branch
Branch I (Haryana)	Shop No.6, Anaj Mandi, Nilokheri- 132117, Karnal, Haryana, India
Branch II (Rajasthan)	29, Purohit Ji Ka Bass, Godam, Jaipur- 302006, Rajasthan, India.
Branch III(Maharashtra)	Opp. Apexa Mangal Karyalaya, Near Vithal Mandir, Phursunghi, Pune- 412308, Maharashtra, India.
Branch IV(New Delhi)	513 & 514,Fifth Floor , Plot No. 8, SG Shopping Mall, Sector – 9, Rohini, New Delhi – 110085, India.
Branch V(Madhya Pradesh)	29, Kibe Compound, Shop No.13, Meer Complex, Indore- 452001, Madhya Pradesh, India.
Branch VI(Lucknow)	E-125, Transport Nagar, Phase-1, Kanpur Road, Lucknow- 220612, Uttar Pradesh, India.
Branch VII(Ghaziabad)	Khasra No. 1080, Ground Floor, Vikash Nagar, Ghaziabad-201001, Uttar Pradesh, India.
Branch VIII(Patna)	Back Side of Krishna Niketan School, At-Jakariapur, Po-Pahadi, Ps – Agamkua, District –Patna – 800007, Bihar, India.
Branch IX(Jammu)	House No. 792, Lane No. 6, Talab Tillo Jammu – 180002, India.

**Sales and Corporate Office:** Office No. 33-A, Vidhya Villa Compound, Old Nagardas Road, Andheri (East), Mumbai – 400069, Maharashtra, India.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:



## **APPROVALS FOR THE ISSUE**

### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on July 11, 2018, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on July 12, 2018 authorized the Issue.

### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated June 22, 2018 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated June 26, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE00V301010.

### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated May 26, 2009 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli, in the name of “ELECTRA ACCUMULATORS PRIVATE LIMITED”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on March 20, 2018 by the Assistant Registrar of Companies, Gujarat in the name of “ELECTRA ACCUMULATORS LIMITED”.
3. The Corporate Identification Number (CIN) of the Company is U29100GJ2009PLC057053

### **APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

<b>Sr. No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration No./ Reference No./ License No.</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of	5210023940	December 10, 2010	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
		India			after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2	Registration Certificate of Establishment for <b>Branch III (Maharashtra)</b> (under Rule 6 of Maharashtra Shops and Establishments Act, 1948)	Inspector Under Maharashtra Shop and Establishment Act	760358017	November 20, 2013	December 16, 2018
3	Registration Certificate of Establishment for <b>Branch V (Madhya Pradesh)</b> (under Rule 63 (3) of Madhya Pradesh Shops and Establishments Act, 1948)	Inspector Under Madhya Pradesh Shop and Establishment Act	5151055743	June 04, 2016	December 31, 2020
4	Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit	Ministry of Micro, Small and Medium Enterprises, Government of India	Entrepreneurs Memorandum Number (Part II): 24-025-11-02266	February 01, 2011	NA
5	License to work a factory for <b>Unit</b>	Joint Directorate Industrial Safety	Registration No.: 1029/31401/2004	June 15, 2004	December 31, 2018

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	<b>II</b> (under Factories Act, 1948 and Rules made thereunder)	and Health Gujarat State	Certificate No.: 9318		
6	License to work a factory for <b>Unit III</b> (under Factories Act, 1948 and Rules made thereunder)	Joint Directorate Industrial Safety and Health Gujarat State	Registration No.: 1031/31401/2004  Certificate No.: 9326	June 15, 2004	December 31, 2019

#### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCE3088M	May 26, 2009	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	SRTE00338C	December 03, 2010	Perpetual
3	Certificate of Registration for <b>Registered office</b> (under Gujarat Value Added Tax)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of	24250702854	March 31, 2010	NA

	Act,2003 read with Rule 6of the Gujarat Value Added Tax Rules, 2006)	Gujarat.			
4	Certificate of Registration for <b>Branch II (Rajasthan)</b> (under Rule 14(1)(a)and 15(2) of Rajasthan Value Added Tax Rules, and Rajasthan Value Added Tax Act, 2003 and	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Rajasthan.	08321668534	December 26, 2012	NA
5	Certificate of Registration for <b>Branch III (Maharashtra)</b> (under section 16 of Maharashtra Value Added Tax Act,2002)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Maharashtra.	27250864517V	November 14,2011	NA
6	Certificate of Registration for <b>Branch V (Madhya Pradesh)</b> (under Madhya Pradesh Value Added Tax Act, 2002 read with Rule 12(1) of the Madhya Pradesh Value Added Tax Rules, 2006)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Madhya Pradesh.	23479160434	October 03, 2015	NA
7	Certificate of Registration for <b>Branch I (Haryana)</b> (under Haryana Value Added Tax Act, 2003 read with	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Haryana.	06602237997	May 10, 2013	NA

	Rule 5(1) of the Haryana Value Added Tax Rules, 2003)				
8	Certificate of Registration for <b>Branch IV (Delhi)</b> (under Delhi Value Added Tax Act, 2004 read with Rule 14 of the Delhi Value Added Tax Rules, 2005)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Delhi.	07116959402	April 07, 2015	NA
9	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AACCE3088MSD001	November 04, 2011	NA
10	Certificate of Registration Central Sales Tax for <b>Registered office</b> (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957.	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Gujarat.	24750702854	March 31, 2010	NA
11	Certificate of Registration Central Sales Tax for <b>Branch III (Maharashtra)</b> (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Maharashtra.	27250864517C	November 14, 2011	NA

12	Certificate of Registration Central Sales Tax for <b>Branch V (Madhya Pradesh)</b> (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Madhya Pradesh.	23479160434	November 09, 2015	NA
13	Certificate of Registration Central Sales Tax for <b>Branch VII (Ghaziabad)</b> (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Uttar Pradesh.	09988821329C	May 03, 2012	NA
14	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)	Assistant Commissioner of Central Excise, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AACCE3088MEM001	February 02, 2011	NA
15	Goods and Service Tax Certificate for <b>Branch I (Haryana)</b>	Government of India	06AACCE3088M1ZD	September 24, 2017	NA
16	Goods and Service Tax Certificate for <b>Branch II (Rajasthan)</b>	Government of India	08AACCE3088M1Z9	September 24, 2017	NA
17	Goods and Service Tax Certificate for <b>Branch III</b>	Government of India	27AACCE3088M1Z9	September 22, 2017	NA

	<b>(Maharashtra)</b>				
18	Certificate of Goods and Service Tax for <b>Branch IV (Delhi)</b>	Government of India	07AACCE3088M1ZB	September 19, 2017	NA
19	Goods and Service Tax Certificate for <b>Branch VII (Ghaziabad)</b>	Government of India	09AACCE3088M1Z7	November 30, 2017	NA
20	Goods and Service Tax Certificate for <b>Branch VIII (Patna)</b>	Government of India	10AACCE3088M1ZO	September 23, 2017	NA
21	Goods and Service Tax Certificate for <b>Branch IX (Jammu)</b>	Government of India	01AACCE3088M1ZN	February 06, 2018	NA
22	Goods and Service Tax Certificate for <b>Manufacturing Unit (Gujarat)</b>	Government of India	24AACCE3088M1ZF	September 19, 2017	NA
23	Certificate of registration under sub section (2) of section 5 of Gujarat State Tax on Profession, Trades, Calling and Employment Act, 1976 and rules made thereunder (PTEC)	Professional Tax Officer, Office of Assistant Commissioner of Commercial Tax, Unit 1, Vapi	PE2507002027	July 18, 2018	NA
24	Certificate of registration under sub section (1) of section 5 of Gujarat State Tax on Profession, Trades, Calling and Employment Act, 1976 and rules	Professional Tax Officer, Office of Assistant Commissioner of Commercial Tax, Unit 1, Vapi	PR2507000475	June 29, 2018	NA



	made thereunder (PTRC)				
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#### **LABOUR RELATED APPROVALS/REGISTRATIONS**

<b>Sr. No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration No./ Reference No./ License No.</b>	<b>Date of Issue</b>
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	MH/215701/PF/APP/ENF-VIII/SRO/KND/304	July 18, 2013
2	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation	35390402270010604	May 09, 2013

#### **ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

<b>Sr No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration Number</b>	<b>Date of Certificate</b>	<b>Date of Expiry</b>
1	Consent to Establish for <b>Unit I</b> for automotive/ tabular batteries for 12000 (under Section 25 of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986)	Gujarat Pollution Control Board, Gujarat	91542	May 07, 2018 Valid from: January 11, 2018	January 10, 2025
2	Consent to Establish (NOC) for <b>Unit II</b> for batteries charging 10,000 Nos/Month (under Section 25 of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986 and Hazardous and Other Wastes)	Gujarat Pollution Control Board, Gandhinagar	91962	May 07, 2018	January 29, 2025




Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	(Management and Transboundary Movement) Rules, 2016)				
3	Consolidated Consent and authorization (CC&A) for <b>Unit III</b> (under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008)	Gujarat Pollution Control Board, Gandhinagar	AWH-65290	September 26, 2014	August 04, 2019

#### **OTHER BUSINESS-RELATED APPROVALS**

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Intimation for release of power supply of 250 KVA for <b>Unit I</b>	Superintending Engineer, Dakshin Gujarat Vij Company Limited	1055 S.R no. 4628333	February 21, 2018	NA
2.	Intimation for release of power supply of 111.11 KVA for <b>Unit II</b>	Superintending Engineer, Dakshin Gujarat Vij Company Limited	S.R no. 4662563	March 14, 2018	NA
3.	Intimation for release of power supply of 180 KVA for <b>Unit III</b>	Superintending Engineer, Dakshin Gujarat Vij Company Limited	3907 S.R no. 2736112	June 09, 2015	NA
4.	No Objection Certificate For establishment of Business Unit, Pune	Gram Sevak, Village Development Officer	556292110983	May 26, 2015	NA

## INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

### TRADEMARKS

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration status
1.	ELECTRA	Word	9	Electra Accumulators Private Limited	2209538	September 23, 2011	NA	Opposed
2.		Device	9	Electra Accumulators Private Limited	2209539*	September 23, 2011	September 23, 2021	Registered
3.	POWER TON	Word	9	Electra Accumulators Private Limited	1498823**	October 26, 2006	October 26, 2026	Registered
4.	POWERTONE	Word	9	Electra Accumulators Private Limited	2395094	September 12, 2012	NA	Opposed
5.		Device	9	Electra Accumulators Private Limited	3640558	September 21, 2017	NA	Objected
6.		Device	9	Electra Accumulators Private Limited	3786764	March 23, 2018	NA	Objected

\*Trademark bearing no. 2209539 was earlier registered in the name of M/S Swastik Battery Industries. However, the said trademark was transferred in the name of Electra Accumulators Private Limited vide deed of assignment dated September 16, 2011.

\*\*Trademark bearing no. 1498823 was earlier registered in the name of Priti International Private Limited. The trademark was transferred in the name of Electra Accumulators Private Limited vide deed of assignment dated September 14, 2012.

**Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.**

**PENDING APPROVALS:**

1. Application for change of name of all the above-mentioned approvals from “Electra Accumulators Private Limited” to “Electra Accumulators Limited” except Goods and Service Tax certificates for all the branches and Permanent Account Number is not made by the Company.
2. Our Company has made an application dated July 03, 2018 for factory license bearing no. 709544 for the manufacturing unit – I
3. Our Company has made an application dated May 30, 2018 bearing no. 139639 for Consent to operate for the manufacturing unit – II.
4. Currently, Consent to Establish for the manufacturing unit III is not traceable.
5. We have made an application for the registration for Goods & Service Tax for the Branch – V (Madhya Pradesh).

**MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

1. Our Company is yet to apply for the consent to operate for the manufacturing unit – I.
2. We have not yet applied for the Shop and Establishment Certificate for the Branch – IV (Delhi).
3. Our Company is also required to make application for the registration under Contract Labour (Regulation and Abolition) Act, 1970.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors of our company vide a resolution passed at its meeting held on July 11, 2018 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on July 12, 2018 at the Corporate Office of our Company.

*Our Company may consider issuing up to 5,88,000 Equity Shares on a private placement basis for cash consideration aggregating up to Rs. 450.00 Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC (the —Pre-IPO Placement) and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.*

Our Company has obtained approval from BSE SME vide letter dated [●] to use the name of BSE Limited in this Draft Red Herring Prospectus for listing of equity shares on the SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoters, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

Neither our Company nor any of our Directors, our Promoters, relatives of Promoters, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors are associated with the securities market in any manner, including securities market related business.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue paid up value capital is more than Rs. 1,000 lakhs and upto Rs. 2,500 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

#### We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the total Issue size. For further details pertaining to said underwriting please refer to chapter titled “General Information” beginning on page 89 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to 50 (fifty), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 8 (eight) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 8 (eight) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI (ICDR) Regulations, Companies Act 2013 and other applicable laws.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any

Issue Document with SEBI nor has SEBI issued any observations on our Issue Document. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Draft Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of 3 (three) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making, see chapter titled “*General Information*” beginning on page 89 of this Draft Red Herring Prospectus.
5. The Networth of the company is positive as per the latest audited financial statements.
6. The Post-issue paid up capital of the company shall not be more than Rs. 25 crore. The post issue capital of our company is Rs. [●].
7. The Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Draft Red Herring Prospectus.
8. The company has a track record of at last three years, as on the date of filing of this Draft Red Herring Prospectus.
9. The Networth and Cash accruals (Earnings before depreciation and tax) from operations of the Company as per the Standalone Restated financial statements for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 is as set forth below:

**(Rs. In Lakhs)**

Particulars	For the financial year ended				
	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Net Worth*	337.34	785.66	828.24	891.75	1391.82
Cash Accruals **	103.46	111.07	92.09	124.59	778.65

\*“Net Worth” has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.

\*\*“Cash accruals” has been defined as the Earnings before depreciation and tax from operations

10. The Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with the depositories.
11. The Company has not been referred to Board for Industrial and Financial Reconstruction.
12. No petition for winding up is admitted by a Court or a liquidator has not been appointed of competent jurisdiction against the Company.
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
14. There has been no change in the Promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.

15. The Company has a website: [www.electrabatteries.in](http://www.electrabatteries.in)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED WHICH READ AS FOLLOWS.**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE**



TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENT – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – NOTED FOR COMPLIANCE
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF

**SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**

- 10.WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.**
- 11.WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12.WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13.WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE**
- 14.WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15.WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED) – NOTED FOR COMPLIANCE.**
- 16.WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 17.WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS.**
- (6) WE CONFIRM THAT UNDERWRITING ARRANGEMENT AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE – NOTED FOR COMPLIANCE.**

**Note:**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Delhi in terms of Section 26 and 32 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.electrabatteries.in](http://www.electrabatteries.in) would be doing so at his or her own risk.

**Caution**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our

Company dated [●], 2018, the Underwriting Agreement dated [●], 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated [●] entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to act as Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Draft Red Herring Prospectus and the website of Book Running Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com)

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2500.00 (Rupees Twenty Five Hundred) Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 (Twenty Five Hundred) Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE BSE LIMITED**

BSE Limited (“BSE”) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Ltd does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **FILING**

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Company, Ahmedabad, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat, India.

#### **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from BSE Limited. However application will be made to the BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our offer document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money,

with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date.

## **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Syndicate Member, Underwriters, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Draft Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

## **EXPERT TO THE ISSUE**

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

- Report of the Peer Reviewed Auditor on Statement of Possible Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Standalone Financial Statements for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014.

## **EXPENSES OF THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 118 of this Draft Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated [●] a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, Banker to issue *etc.* will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of

underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING LAST 5 YEARS**

We have not made any previous rights and/or public issues since during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 101 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

Neither our company nor any other companies under same management within the meaning of section 370 (1B) of the Company Act, 1956 has made/ section 186 Company Act, 2013 had made any public issue or right issue during last three years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.



## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on April 20, 2018. For further details, please refer to the chapter titled “*Our Management*” beginning on page 211 of this Draft Red Herring Prospectus.

Our Company has appointed Rashmi Chauhan as Company Secretary and Compliance Officer and she may be contacted at the following address:

**Rashmi Chauhan**

**Electra Accumulators Limited**

Office No. 33-A,

Vidhya Villa Compound,

Old Nagardas Road,

Andheri (East), Mumbai – 400069,

Maharashtra, India.

**Tel:** 022-42247700

**Fax:** NA

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

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

**Corporate Identification Number:** U29100GJ2009PLC057053

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

## **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

There have been no changes in Auditors of our Company in during the last three years preceding the date of this Draft Red Herring Prospectus.

## **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 101 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

## **REVALUATION OF ASSETS**

There has been no revaluation of our assets since incorporation.

## **PURCHASE OF PROPERTY**

Except as disclosed in this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.



Except as stated elsewhere in this Draft Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **SECTION VII- ISSUE INFORMATION**

### **TERMS OF THE ISSUE**

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

#### **RANKING OF EQUITY SHARES**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 374 of this Draft Red herring Prospectus.

#### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 238 of this Draft Red Herring Prospectus.

#### **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the Regional newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchange.

At any given point of time there shall be only one denomination of Equity Shares.

#### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 374 of this Draft Red herring Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated June 26, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated June 22, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity

Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

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

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

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period

of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

#### **BID/ ISSUE OPENING DATE**

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

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

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchange. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

#### **MINIMUM SUBSCRIPTION**

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

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

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

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of BSE from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

#### **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the SME Platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on BSE SME Platform. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 89 of this Draft Red herring Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on BSE SME Platform.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions

under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 101 of this Draft Red herring Prospectus and except as provided in the AoA, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 374 of this Draft Red herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees but does not exceed twenty five crores. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 303 and 315 of this Draft Red Herring Prospectus.

### Following is the issue structure:

Initial Public Issue of Upto 41,18,000 Equity Shares of face value of Rs. 10/- each fully paid (the ‘Equity Shares’) for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of up to [●] Equity Shares (the “Net Issue”). The Issue and Net Issue will constitute [●] % and [●] % of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

*Our Company is considering a Pre-IPO placement of upto 5,88,000 Equity Shares aggregating up to Rs.450.00 Lakhs, with certain investors (“Pre-IPO Placement. If the Pre-IPO Placement is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.*

Particulars	Qualified Institutional Buyers	Market Makers Reservation Portion	Non –Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares available for allocation/ allotment</b>	[●]* Equity Shares	[●]* Equity Shares	[●]* Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	[●]* Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non Institutional Bidders
<b>Percentage of Issue Size available for allocation/ allotment</b>	[●]% of Net the Issue size was available for allocation to QIBs. However, up to 5% of net QIB Portion was available for allocation proportionately to Mutual Fund only. Mutual Funds participating in	[●]% of the total Issue Size	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue

Particulars	Qualified Institutional Buyers	Market Makers Reservation Portion	Non –Institutional Bidders	Retail Individual Bidders
	the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Any unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion.			
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate as follows:- a) [●]* Equity Shares, constituting 5% of the Net QIB portion, was available for allocation on a proportionate basis to Mutual Funds only and; b) [●]* Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above For further details please refer to the section titled “ <i>Issue Procedure</i> ” beginning on page 315 of the Draft Red Herring Prospectus	Firm allotment	Proportionate	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled “ <i>Issue Procedure</i> ” beginning on page 315 of the Draft Red Herring Prospectus
<b>Mode of Bid cum Application</b>	Online or Physical through ASBA	Through ASBA Process only	Through the ASBA Process only	Through ASBA Process only

Particulars	Qualified Institutional Buyers	Market Makers Reservation Portion	Non –Institutional Bidders	Retail Individual Bidders
	Process only			
<b>Minimum Bid Size</b>	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds Rs. 2,00,000	[●] Equity Shares of Face Value of Rs. 10.00 each	Such number of Equity shares in multiple of [●] Equity shares that Application size exceeds Rs. 2,00,000	[●] Equity Shares
<b>Maximum Bid Size</b>	Such number of Equity Shares in multiples of [●] equity shares not exceeding the size of the Net Issue, subject to the regulations as applicable to the Bidder.	[●] Equity Shares of Face Value of Rs 10 each	Such number of Equity Shares in multiples of [●] equity shares not exceeding the size of the Net Issue, subject to the regulations as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid amount does not exceed Rs. 2,00,000.
<b>Mode of Allotment</b>	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of payment</b>	<p>The entire amount shall be blocked at the time of submission of Bid cum Application Form to the members of the syndicate.</p> <p>In case of ASBA Bidders, the SCSBs shall be authorized to block the Bid amount mentioned in the Bid Cum Application Form.</p>			

- 1) *\*In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*
- 2) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

- 3) *In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”) wherein [●] % of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Category”), 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.*
- 4) *Such number of Equity Shares representing [●] % of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.*
- 5) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### **BID/ ISSUE OPENING DATE**

Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]

Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchange excluding Sundays and bank holidays.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Limited to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.bseindia.com> For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned BSE website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.*

## BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein [●] % of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity

Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”) wherein [●] % of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Category”), 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

#### **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.



Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **WHO CAN BID?**

In addition to the category of Bidders set forth under “*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

#### **Maximum and Minimum Application Size**

##### ***a) For Retail Individual Bidders:***

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

##### ***b) For Other Bidders (Non-Institutional Bidders and QIBs):***

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

#### **INFORMATION FOR THE BIDDERS**

- a. Our Company shall register the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company in consultation with the BRLM is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.

- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchange where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange.
- e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchange, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.**

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **APPLICATIONS BY ELIGIBLE NRI'S/ RFPI's ON REPATRIATION BASIS**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATIONS BY ELIGIBLE NRI'S**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

#### **BIDS BY FPI INCLUDING FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by

virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the

mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.**

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

## **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

## **TERMS OF PAYMENT**

### **Terms of Payment**

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

## **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated [●].

- b) A copy of the Red Herring Prospectus and Prospectus will be registered with the RoC in terms of Section 32 of the Companies Act.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the registering of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

##### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;



12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB

Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## **COMMUNICATIONS**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## **IMPERSONATION**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who—*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*shall be liable for action under Section 447.”*

## **UNDERTAKINGS BY THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited, Where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company

within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.
6. The BRLM undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated June 26, 2018 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated June 22, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE00V301010.

## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Draft Red Herring prospectus before investing in the Issue.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations” beginning on page 3 of this Draft Red Herring Prospectus.

#### **SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the Draft Red Herring Prospectus.

##### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and

may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

### **2.3 OTHER ELIGIBILITY REQUIREMENTS**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The BRLM shall submit the copy of Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The Company has track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. The net worth of the Company is positive.

- (f) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (g) The issuer shall mandatorily facilitate trading in demat securities.
- (h) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (i) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (j) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (k) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

## 2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (**“Book Built issues”**) or undertake a Fixed Price Issue (**“Fixed Price Issues”**). An issuer may mention Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the red herring prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange.

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working

Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchange and the BRLM and the advertisement in the newspaper(s) issued in this regard

## **2.6 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

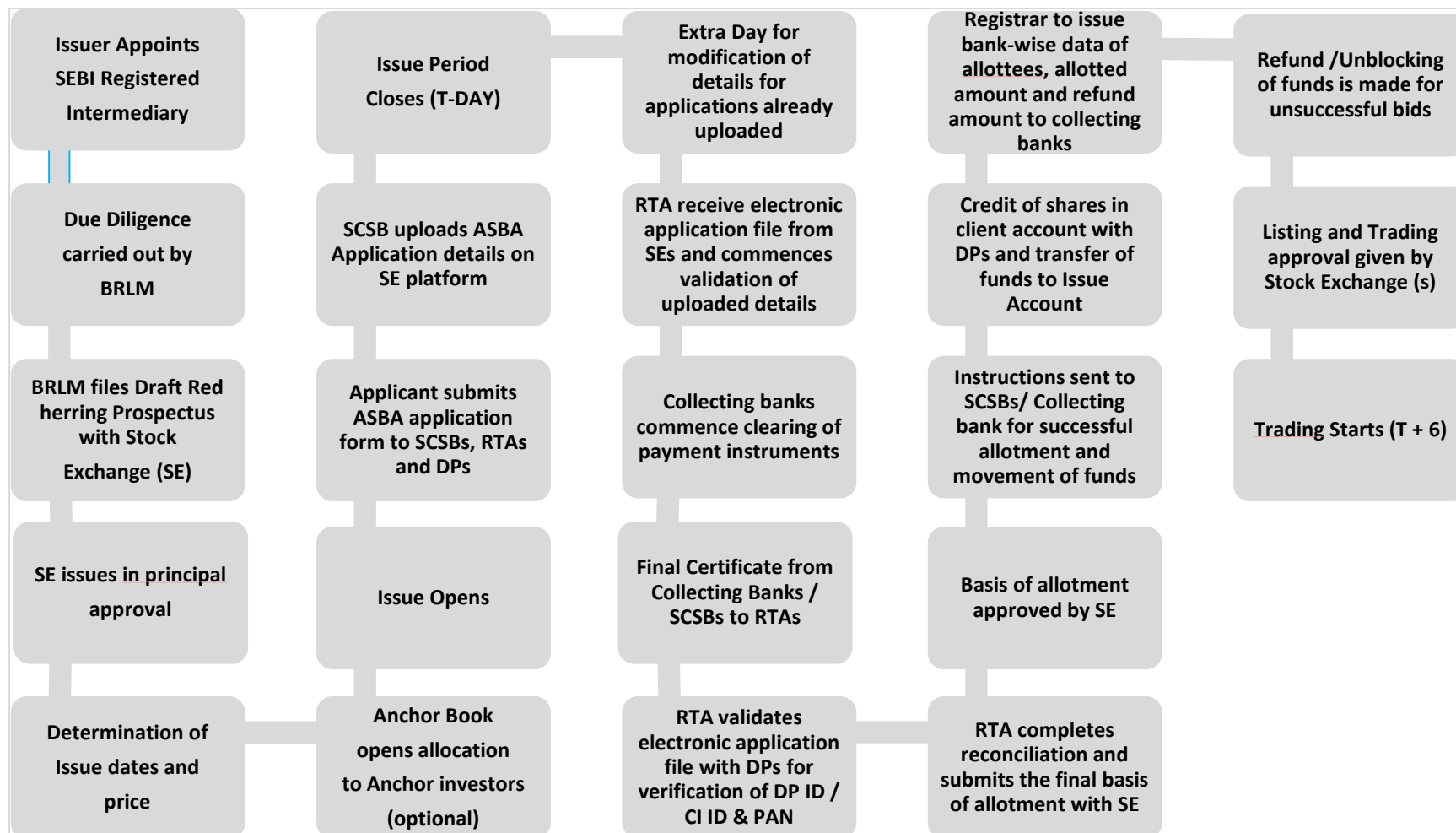
OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **2.7 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows





### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Bidder should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Issue.

#### **SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchange.

Bid cum Application Forms are available with the BRLM, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchange at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

<b>Category</b>	<b>Colour of the Bid cum Application Form (Excluding downloaded forms from SE website)</b>
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM**

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

## R Bid cum Application Form

<b>COMMON BID CUM APPLICATION FORM</b>	<b>ELECTRA ACCUMULATORS LIMITED - INITIAL PUBLIC ISSUE - R</b> <small>Registered Office: 19, Mahaveer Nagar, N.H. No. 8, Vapi-390105, Gujarat, India;          Tel. No.: 0260-2410050; Fax No.: Not Available; E-mail: ipo@electraaccumulators.in; Website: www.electraaccumulators.in;          CIN NO: U29100GJ2009PLC057053</small>	<b>FOR RESIDENT INDIANS INCLUDING RESIDENT QRBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																											
 <b>To,</b> <b>The Board of Directors</b> <b>ELECTRA ACCUMULATORS LIMITED</b>	<b>BOOK BUILT ISSUE</b> <b>ISIN - INE00V301010</b>	<b>Bid Cum Application Form No.</b>																											
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER'S / SCSE / CDP / KTA STAMP &amp; CODE</b>  <b>ESCROW BANK / SCSE BRANCH STAMP &amp; CODE</b>  <b>SCSE SERIAL NO.</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms./M/s. _____ _____ Address _____ _____ Email _____ Tel. No. (with STD code) / Mobile _____ <b>2. PAN OF SOLE/FIRST BIDDER</b> _____																											
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<b>ELECTRA ACCUMULATORS LIMITED 1</b>																													

# NR Bid cum Application ASBA Form

<b>COMMON BID CUM APPLICATION FORM</b>	<b>ELECTRA ACCUMULATORS LIMITED - INITIAL PUBLIC ISSUE - NR</b> <small>Registered Office: 19, Mahatma Nagar, N.H. No: 8, Vapi-390105, Gujarat, India;  Td. No.: 8240-2410050; Fax No.: Not Available; E-mail: bid@electraaccumulators.in; Website: www.electraaccumulators.in;  CEN NO: U29100GJ100PPLC057953</small>	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FII/ FPIs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS</b>																											
<b>Electra</b> <small>Empowering your growth</small>	<b>To,</b> <b>The Board of Directors</b> <b>ELECTRA ACCUMULATORS LIMITED</b>	<b>BOOK BUILT ISSUE</b> <b>ISIN - INE00V301010</b>																											
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#### 4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

***Shall be liable for action under section 447 of the said Act.***

- (d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### 4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- (a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market

irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim (“PAN Exempted Bidders”). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### **4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected.
- (b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the Issue.
- (d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk.

#### **4.1.4 BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs



undertaken through the Book Building Process. **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

#### **4.1.4.1. Maximum and Minimum Bid Size**

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- (b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- (e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.



- (f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the issue size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

#### **4.1.4.2. Multiple Bids**

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

- ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5 CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

#### **4.1.6 INVESTOR STATUS**

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

#### **4.1.7 PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Offer only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

#### **4.1.7.1. Payment instructions for Bidders**

- (a) Bidders may submit the Bid cum Application Form either
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application

Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.

- (h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for

unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

#### **4.1.8.1. Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.8.2. Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

### **4.1.9 SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.

- iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
- v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
- vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
- vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.

(c) The following details (as applicable) should be quoted while making any queries -

- i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
- ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Draft Red Herring Prospectus and the Bid cum Application Form.

#### **4.2. INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

# Revision Form – R

<b>COMMON BID REVISION FORM</b>	<b>ELECTRA ACCUMULATORS LIMITED - INITIAL PUBLIC ISSUE - R</b> <small>Registered Office: 19, Mahaveer Nagar, N.H. No. 8, Vapi-396195, Gujarat, India;  Ttd. No.: 0280-2410950; Fax No.: Not Available; E-mail: <a href="mailto:info@electraacc.com">info@electraacc.com</a>; Website: <a href="http://www.electraacc.com">www.electraacc.com</a>;  CIN NO: U29100GJ2009PLC057053</small>	<b>FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																																																																
<b>To,</b> <b>The Board of Directors</b> <b>ELECTRA ACCUMULATORS LIMITED</b>		<b>BOOK BUILT ISSUE</b> <b>ISIN - INE00V341010</b> <b>Bid Cum Application Form No.</b>																																																																																
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# Revision Form – NR

<b>COMMON BID REVISION FORM</b>	<b>ELECTRA ACCUMULATORS LIMITED – INITIAL PUBLIC ISSUE - NR</b> <small>Registered Office: 19, Mahaveer Nagar, N.H. No. 8, Vashi-401305, Gujarat, India;          Tel. No.: 0269-2410050; Fax No.: Not Available; E-mail: hq@electraacc.com; Website: www.electraacc.com;          CIN NO: U29100GJ2009PLC057053</small>	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS</b>																																														
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### **1.1.1.NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### **1.1.2.BID OPTIONS REVISION ‘FROM’ AND ‘TO’**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

### **1.1.3.PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same

Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs.2,00,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 1.1.4. SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

##### 4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

#### SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

## **SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **6.1 SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLM, to register their Bid.
- (b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the RHP.

### **6.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange.
- (c) Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange send the bid information to the Registrar to the Issue for further processing.

### **6.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/Issue Period.

### **6.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a

request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) **The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:**
- i. the Bids accepted by the Designated Intermediaries,
  - ii. the Bids uploaded by the Designated Intermediaries, and
  - iii. the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **GROUND OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;

- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement, as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchange; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application Form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

This being Book Built Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation in the Retail Portion at or above the Issue Price, then the maximum number of RIIs who can be allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations 2009 or RHP/Prospectus. Bids received from the QIB Category (net of Anchor Portion) at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue

Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.



- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange, the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may

be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.3 MODE OF REFUND**

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

#### **8.3.1 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful applicants.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
Banker(s) to the Issue/ Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 315 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the

Term	Description
	number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Cum Application Collecting Intermediaries	6. a SCSB with whom the bank account to be blocked, is maintained 7. a syndicate member (or sub-syndicate member) If any 8. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’) if any 9. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) 10. a registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied and includes an ASBA Bidder.
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter.
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR

Term	Description
	Regulations.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of BSE Limited.
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.
Client ID	Client Identification Number to be maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-Off Price. QIBs and Non Institutional Bidder are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with SEBI under the Securities and

Term	Description
	Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Stock Exchange	BSE Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated August [●], 2018 issued in accordance with Section 32 of the Companies Act, 2013 and filed with BSE Limited under SEBI (ICDR) Regulations.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and

Term	Description
	below which no Bids will be accepted.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in “ <i>Issue Procedure</i> ” on page 315 of this Draft Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	The Initial Public Issue of up to 41,18,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] comprising the Fresh Issue.
Issue Agreement	The agreement dated July 16, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 118 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and BSE Limited.
Market Making Agreement	Market Making Agreement dated [●], 2018 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of up to [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	[●] % of the QIB Portion i.e. [●] Equity Shares available for allocation to Mutual Funds, out of the QIB Portion.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-

Term	Description
	DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have applied for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
SME Platform of BSE Limited/ SME Exchange	The SME Platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/ applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	<p>Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof.</p> <p>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Regional newspaper [●], each with wide circulation</p>
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, <i>inter alia</i> ,



Term	Description
	the Issue Price, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue i.e. [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on [●], 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
QIB Portion	The portion of the Issue being [●]% of the Net Issue, consisting of [●] Equity Shares, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price.
Red Herring Prospectus or RHP	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.</p>
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a>
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having its Registered Office located at C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India.

<b>Term</b>	<b>Description</b>
Registrar Agreement	The agreement dated July 16, 2018 entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009.
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Syndicate Agreement	The agreement dated [●], 2018 entered into among our Company, the BRLM and the Syndicate Members in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriters, namely, Pantomath Stock Brokers Private Limited

<b>Term</b>	<b>Description</b>
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriter	Pantomath Capital Advisors Private Limited.
Underwriting Agreement	The agreement dated [●], 2018 entered into between the Underwriters and our Company.
Working Day	Working Day means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (ii) Bid Period, Working Day shall mean all days, excluding all Saturdays, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid Closing Date and the listing of the Equity Share as on the stock exchange, Working day shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings and reporting to RBI.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the

relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any 'fit and proper/due diligence' requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, , FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, , 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the

paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.**

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.





**SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION  
THE COMPANIES ACT, 2013  
(COMPANY LIMITED BY SHARES)  
ARTICLES OF ASSOCIATION\*  
OF  
ELECTRA ACCUMULATORS LIMITED**

<b>SR. NO</b>	<b>PARTICULARS</b>	
<b>1.</b>	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
	<b>INTERPRETATION CLAUSE</b>	
<b>2.</b>	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) “Auditors” means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *“The Company” shall mean ELECTRA ACCUMULATORS LIMITED	<b>Company</b>
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the	<b>Executor or Administrator</b>

<b>SR. NO</b>	<b>PARTICULARS</b>	
	deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under	<b>Proxy</b>

<b>SR. NO</b>	<b>PARTICULARS</b>	
	the power of attorney.	
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the	<b>Increase of capital by the Company how carried into effect</b>

SR. NO	PARTICULARS	
	Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non-Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

SR. NO	PARTICULARS	
	<p>out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
12	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<b>Issue of Sweat Equity Shares</b>

SR. NO	PARTICULARS	
13	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	<b>Buy Back of shares</b>
15	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
16	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class.	<b>Modification of rights</b>

SR. NO	PARTICULARS	
	<p>The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
20	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>

<b>SR. NO</b>	<b>PARTICULARS</b>	
<b>22</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
<b>23</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
<b>24</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
<b>25</b>	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
<b>26</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
<b>27</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
<b>28</b>	(a) Every member shall be entitled, without payment, to	<b>Share Certificates.</b>



SR. NO	PARTICULARS	
	<p>one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply</p>	

SR. NO	PARTICULARS	
	<p>with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>
30	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p><b>The first named joint holder deemed Sole holder.</b></p>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p><b>Maximum number of joint holders.</b></p>

SR. NO	PARTICULARS	
31	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognize any interest in share other than that of registered holders.</b>
32	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
33	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.	<b>Directors may make calls</b>

<b>SR. NO</b>	<b>PARTICULARS</b>	
	(2) A call may be revoked or postponed at the discretion of the Board.  (3) A call may be made payable by installments.	
<b>36</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
<b>37</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
<b>38</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
<b>39</b>	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
<b>40</b>	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
<b>41</b>	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>

SR. NO	PARTICULARS	
42	<p>On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>	<p><b>Proof on trial of suit for money due on shares.</b></p>
43	<p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.</p>	<p><b>Judgment, decree, partial payment motto proceed for forfeiture.</b></p>
44	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so</p>	<p><b>Payments in Anticipation of calls may carry interest</b></p>

SR. NO	PARTICULARS	
	paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	
	<b>LIEN</b>	
45	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>
46	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the	<b>Application of proceeds of sale.</b>

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	shares at the date of the sale.	
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48	<p>If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.</p>	<b>If call or installment not paid, notice may be given.</b>
49	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	<b>Terms of notice.</b>
50	<p>If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p>	<b>On default of payment, shares to be forfeited.</b>
51	<p>When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it</p>	<b>Notice of forfeiture to a</b>



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	stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Member</b>
<b>52</b>	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
<b>53</b>	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
<b>54</b>	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
<b>55</b>	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
<b>56</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
<b>57</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to	<b>Cancellation of share certificate in respect of forfeited shares.</b>



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	issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	
58	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.  (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.  The instrument of transfer shall be in a common form	<b>Transfer Form.</b>

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	approved by the Exchange;	
63	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	<p><b>Transfer not to be registered except on production of instrument of transfer.</b></p>
64	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>	<p><b>Directors may refuse to register transfer.</b></p>
65	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<p><b>Notice of refusal to be given to transferor and transferee.</b></p>
66	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of</p>	<p><b>No fee on transfer.</b></p>

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	Attorney or similar other document with the Company.	
67	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production</p>	<b>Recognition of legal representative.</b>

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	<p>of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
72	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	<p><b>Titles of Shares of deceased Member</b></p>
73	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<p><b>Notice of application when to be given</b></p>
74	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by</p>	<p><b>Registration of persons entitled to share otherwise than by transfer (transmission clause).</b></p>

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	executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	
75	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>

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	<b>NOMINATION</b>	
80	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>
81	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and</p>	<b>Transmission of Securities by nominee</b>

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	if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
	<b>DEMATERIALISATION OF SHARES</b>	
<b>82</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
<b>83</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
<b>84</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
<b>85</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share	<b>Power to issue share warrants</b>



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	which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	
86	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	<b>Deposit of share warrants</b>
87	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
88	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
89	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any</p>	<b>Conversion of shares into stock or reconversion.</b>



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	denomination.	
<b>90</b>	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
<b>91</b>	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock Holders.</b>
<b>92</b>	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
	<b>BORROWING POWERS</b>	
<b>93</b>	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit  or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
<b>94</b>	Subject to the provisions of the Act and these Articles, any	<b>Issue of discount etc. or</b>

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	bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>with special privileges.</b>
95	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in	<b>Indemnity may be given.</b>

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	respect of such liability.	
	<b>MEETINGS OF MEMBERS</b>	
99	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
10	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
10	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
10	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
10	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>

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10	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
10	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
10	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
10	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
10	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
10	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every	<b>Number of vote search member entitled.</b>

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	member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	
11	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
11	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
11	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
11	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
11	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>

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11	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
11	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
11	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
11	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
11	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting	<b>No votes by proxy on show of hands.</b>

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	of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	
12	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
12	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
12	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy not withstanding death of a member.</b>
12	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
12	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
12	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>



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12	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
12	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
12	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
12	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any	<b>Additional Director</b>



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	other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	
13	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors' power to fill casual vacancies.</b>
13	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
13	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
13	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.  (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
13	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.  b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at	<b>Chairperson</b>

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	the same time.	
<b>13</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
<b>13</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
<b>13</b>	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
<b>13</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
<b>13</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
<b>14</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>

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14	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
14	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
14	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
14	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of	<b>To acquire any property , rights etc.</b>

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	India.	
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think	<b>To open Bank accounts.</b>

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	fit.	
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>

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	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security byway of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the	<b>Transfer to Reserve Funds.</b>

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	<p>benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>To appoint and remove officers and other employees.</b></p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders,</p>	<p><b>To appoint Attorneys.</b></p>



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	directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent,	<b>To assist charitable or</b>



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	religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>benevolent institutions.</b>
	<p>(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.</p>	
	<p>(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the</p>	

SR. NO	PARTICULARS	
	<p>time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
14	a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from	<b>Powers to appoint Managing/Whole-time Directors.</b>

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	<p>office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	
14	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole-time Director.</b>
14	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>

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	<p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
14	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
14	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for	<b>The seal, its custody and use.</b>

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	<p>the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	
15	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
15	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Division of profits.</b>
15	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
15	a) The Board may, before recommending any dividend,	<b>Transfer to reserves</b>

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	<p>set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
15	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
15	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
15	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
15	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
15	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
15	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>

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	from the interest or dividend payable to any member all such sums of money so due from him to the Company.	
<b>16</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
<b>16</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
<b>16</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
<b>16</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
<b>16</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	
<b>16</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on</p>	<b>Capitalization.</b>

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	<p>any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
16	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or</p>	<b>Fractional Certificates.</b>



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	difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
16	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
16	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
16	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
17	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
17	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and	<b>Authentication of documents and proceedings.</b>

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	need not be under the Common Seal of the Company.	
	<b>WINDING UP</b>	
17	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
17	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity.</b>
17	Subject to the provisions of the Act, no Director,	<b>Not responsible for acts of</b>

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	<p>Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	<b>others</b>
	<b>SECRECY</b>	
17	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	<b>Secrecy</b>
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company</p>	<b>Access to property information etc.</b>

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	to disclose or to communicate.	

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company located at Office No.33-A, Vidhya Villa Compound, Old Nagardas Road, Andheri (East) Mumbai 400069, Maharashtra, India. From date of filing this Draft Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts:**

1. Issue Agreement dated July 16, 2018 between our Company and the Book Running Lead Manager.
2. Registrar to the Issue Agreement dated July 16, 2018 between our Company and Link Intime India Private Limited, Registrar to the Issue.
3. Underwriting Agreement [•] between our Company and Underwriter viz. Pantomath Capital Advisors Private Limited.
4. Market Making Agreement dated [•] between our Company, Market Maker and the Book Running Lead Manager.
5. Banker to the Issue Agreement dated June [•] amongst our Company, the Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated June 26, 2018.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated June 22, 2018.
8. Syndicate agreement dated [•] entered between our Company, Syndicate Member i.e. Pantomath Stock Brokers Private Limited and Book Running Lead Manager.

#### **Material Documents:**

1. Certified true copies of the updated Memorandum of Association and Articles of Association of our Company including certificates of incorporation as amended from time to time.
2. Resolution of the Board of Directors dated July 11, 2018 in relation to the Issue and other related matters.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated July 12, 2018 authorizing the Issue.
4. Statement of Possible Tax Benefits dated July 19, 2018 issued by Peer Review Auditor, M/s Anil Bansal & Associates, Chartered Accountants.
5. Report of the Peer Review Auditor, M/s Anil Bansal & Associates, Chartered Accountants dated July 19, 2018 on the Restated Financial Statements for the Financial Years ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Banker to the Issue/ Public Issue

Bank and Refund Bank, Banker to the Company, Market Maker, Syndicate Member to act in their respective capacities.

7. Due Diligence certificate dated [●] from Book Running Lead Manager to BSE Limited.
8. Copy of approval from BSE Limited *vide* letter dated [●], to use the name of SME Platform of BSE Limited in this offer document for listing of Equity Shares on SME Platform of BSE Limited.

None of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

**Signed by all the Directors of our Company**

<b>Name and Designation</b>	<b>Signature</b>
<b>Chetan Sanghvi</b> <i>Managing Director</i> <i>DIN: : 00957763</i>	Sd/-
<b>Bhaumik Sanghvi</b> <i>Whole Time Director</i> <i>DIN:06604461</i>	Sd/-
<b>Kruti Shah</b> <i>Independent Director</i> <i>DIN:06789987</i>	Sd/-
<b>Milan Chitalia</b> <i>Independent Director</i> <i>DIN:02019612</i>	Sd/-

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

\_\_\_\_\_  
**Bhaumik Sanghvi**  
**Chief Financial Officer**

\_\_\_\_\_  
**Rashmi Chauhan**  
**Company Secretary and**  
**Compliance Officer**

**Place: Mumbai**  
**Date: August 03, 2018**

## Annexure A

### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Innovators Façade Systems Limited	40.76	72.00	May 24, 2018	72.00	-13.19% (2.96%)	Not Applicable	Not Applicable
2.	Shree Vasu Logistics Limited	9.29	45.00	June 4, 2018	48.00	24.00% (0.67%)	Not Applicable	Not Applicable
3.	Affordable Robotic & Automation Limited	22.79	85.00	June 4, 2018	90.05	35.29% (1.05%)	Not Applicable	Not Applicable
4.	Latteys Industries Limited	8.07	66.00	June 5, 2018	68.00	0.68% (1.67%)	Not Applicable	Not Applicable
5.	Nakoda Group of Industries Limited	6.43	35.00	June 6, 2018	36.00	5.43% (1.12%)	Not Applicable	Not Applicable
6.	ShreeOswal Seeds and Chemicals Limited	11.90	26.00	June 20, 2018	27.00	4.42% (1.72%)	Not Applicable	Not Applicable
7.	Priti International Limited	5.25	75.00	June 21, 2018	81.00	31.33% (2.51%)	Not Applicable	Not Applicable
8.	Accuracy Shipping Limited	35.76	84.00	June 22, 2018	88.00	9.52% (2.43%)	Not Applicable	Not Applicable
9.	Ganga Forging Limited	5.00	21.00	July 11, 2018	21.10	Not Applicable	Not Applicable	Not Applicable
10.	Ushanti Colour Chem Limited	11.56	60.00	August 02, 2018	64.20	Not Applicable	Not Applicable	Not Applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered



4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

## SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between n 25-50%	Less than 25%	Over 50%	Between n 25-50%	Less than 25%
15-16	*9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	**24\$	204.56	-	-	5	5	3	8	-	1	5	10	1	6
17-18	***30\$\$	610.90	-	-	4	10	7	9	-	1	4	12	2	4
18-19	****17\$\$\$	272.30	-	-	3	1	2	9	-	-	-	-	-	-

\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

\*\*\*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals

Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

\*\*\*\*The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited and Ushanti Colour Chem Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018, June 22, 2018, July 11, 2018, August 02, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovator Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited and Ushanti Colour Chem Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days and 30 Days respectively from the date of listing.

***Note:** Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*