

ARTEMIS ELECTRICALS LIMITED

Our Company was originally incorporated as “Artemis Electricals Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated October 26th, 2009 bearing Corporate Identification Number U51505MH2009PTC196683 issued by Registrar of Companies, Mumbai, Maharashtra. Subsequently, our Company was converted into Public Limited Company pursuant to Shareholders Resolution passed at the Extra – Ordinary General Meeting of our Company held on July 25th, 2015 and the name of our Company was changed to “Artemis Electricals Limited” and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated August 27th, 2015 was issued by Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U51505MH2009PLC196683. For details of Incorporation, change in the Name and Registered Office of our Company, please refer to section titled “General Information” and “Our History and Certain other Corporate Matters” beginning on pages 78 and 204 of this Draft Red Herring Prospectus.

Registered Office: Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane - 401208

Tel. No.: +91-22-29275032; **Fax No.:** +91-22-29275062

E – mail: contact@artemislighting.com, Website: www.artemislighting.com

Contact Person: Alheena Khan, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: PRAVIN KUMAR AGARWAL AND M/S YASHVIKRAM INFRASTRUCTURE PRIVATE LIMITED

THE ISSUE

INITIAL PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“EQUITY SHARES”) OF ARTEMIS ELECTRICALS LIMITED (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE), AGGREGATING RS. [●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE 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. NET 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.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. [●]/- IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page no. 342 of this Draft Red Herring Prospectus. A copy will be delivered for registration to the RoC as required under Section 26 & 32 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 chapter titled ‘THE ISSUE’ beginning on page 76 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our company is Rs. 10/- each and the Issue Price of Rs. [●]/- per Equity Share is [●] times of the Face Value. The Issue Price (as determined by our company in consultation with the Book Running Lead Managers as stated in chapter titled “Basis for Issue Price” beginning on page 122 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 20 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 this Issue, which is material in the context of this Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission 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 offered through this Draft Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited. (“BSESME”), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an in-principal 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.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



HOLANI CONSULTANTS PRIVATE LIMITED
401-405 & 416-418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur-302016
Tel.: +91 0141-2203996
Fax: +91 0141-2201259
Website: www.holaniconsultants.co.in
Email: ipo@holaniconsultants.co.in
Investor Grievance Id:
complaints.redressal@holaniconsultants.co.in
Contact Person: Mr. Bharat Mantri
SEBI Registration No.: INM000012467



CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No. 1 Club House Road, Chennai-600002 Tamil Nadu
Tel: +91 -44-28460390/1989
Fax: +91 -44-28460129
Website: www.cameoindia.com
Email: cameo@cameoindia.com
Investor Grievance id: cameo@cameoindia.com
Contact Person: Mr. R.D. Ramasamy
SEBI Registration No: INR000003753

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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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 and may not be offered or sold within the United States or to, or for the account of 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 transactions in reliance on Regulations 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 register, listed or otherwise qualified in any other jurisdiction outside India and may not be offered and sold, and application may not be made by person 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. References to any legislation, act or regulation, as amended or re – enacted from time to time. In case of any inconsistency between the definitions given below and the definitions in the General Information Document (as defined below), the definitions given below shall prevail.

Company Related Terms:

Term(s)	Description
“Artemis Electricals Limited” or “the Company” or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Unless the context otherwise indicates or implies, refers to Artemis Electricals Limited (formerly known as Artemis Electricals Private Limited), a Company incorporated under the Companies Act, 1956.
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted on December 08 th , 2015 and reconstituted on May 28 th , 2018 as our 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. Mittal Agarwal & Co. Chartered Accountants.
Auditor (Peer Review Auditor)	The Peer Review Auditor of our Company, being M/s. Mittal Agarwal & Co. Chartered Accountants.
Bankers to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page 78 of this Draft Red Herring Prospectus.
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof.
Chairman	The Chairman of our Company, namely Mr. Pravin Kumar Agarwal.
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company, namely Mr. Shivkumar Chhangur Singh.
CIN	Corporate Identification Number U51505MH2009PLC196683.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Alheena Khan.
Corporate office	Office 201A, A wing, 2nd floor, Fortune 2000, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each fully paid up
Equity Shareholders	Persons / Entities holding Equity Shares of our Company
Group Companies	Such Companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page no. 232 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE757T01017
Key Management	Individuals described in the chapter titled “ <i>Our Management</i> ” on

Term(s)	Description
Personnel/KMP	page no. 208 of this Draft Red Herring Prospectus.
Materiality Policy	The policy adopted by our Board for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
Memorandum/Memorandum of Association/MOA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on 8 th December 2015 as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013, Further, re-constituted on 28 th May 2018.
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Overseas Corporate Body/OCB	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. OCBs are not allowed to invest in this Issue.
“Promoter”, “Promoters” or “our Promoters”	Promoters of our Company being -Mr. Pravin Kumar Agarwal -Yashvikram Infrastructure Private Limited
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and as disclosed in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page no. 222 of this Draft Red Herring Prospectus.
Registered Office	The registered office of Our Company situated at Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane – 401208.
Registrar of Companies/RoC	The Registrar of Companies, Maharashtra, Mumbai, 100, Everest, Marine Drive, Mumbai – 400 002
Stakeholders Relationship Committee	The stakeholders relationship committee of our company, as disclosed in chapter titled “Our Management” on page 208 of this Draft Red Herring prospectus
Shareholders	Shareholders of our Company
Willful Defaulter (s)	Willful defaulter as defined under Regulation 2 (zn) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
You, your or yours	Prospective investors in the Issue

Issue Related Terms

Term(s)	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Bidders.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to Issue of the Equity Shares to the successful Bidder.
Allotment Advice	Note, 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.
Allottee(s)	Successful Bidder(s) to whom Equity Shares of our Company have been allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and the Draft Red Herring Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorizing an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	Account maintained with SCSBs and specified in the Bid cum Application Form submitted by the 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, Ahmedabad and Jaipur.
ASBA Investor/ASBA applicant	Any prospective investor(s) / applicant(s) in this Issue who applies(y) through the ASBA process
Banker/Refund Banker to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being ICICI Bank Limited.
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 342 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 a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application form in the case of Retail Individual Bidders Bidding at the cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and

Term(s)	Description
	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	<ul style="list-style-type: none"> - a SCSB with whom the bank account to be blocked, is maintained - a syndicate member (or sub-syndicate member) If any - 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 - a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) - a registrar to an issue and shares 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 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 all edition of the English national newspaper [•], all edition of the Hindi national newspaper [•], and [•] edition of the Marathi 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.
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 All edition of the English national newspaper [•], all edition of the Hindi national newspaper [•], and [•] edition of the Marathi 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.
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.
Bidding/collecting Center	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centers 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, 2009 in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Holani Consultants Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centre's	Broker centers notified by the Stock Exchanges, where the Bidders

Term(s)	Description
	can submit the Bid cum Application forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the website of Stock Exchanges.
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 finalized and above which no Bids (or a revision thereof) will be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Any price within the Price Band finalized by our Company in consultation with BRLM. A Bid submitted at Cut-off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs 2,00,000. No other category of Bidders is entitled to Bid at the Cut-off Price.
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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the 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/DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such centers 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 Application Forms are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time.
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 Issued

Term(s)	Description
	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 centers of the RTAs where Bidders 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 Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	SME Platform BSE Limited (“BSE-SME”).
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 22 nd , 2018 issued in accordance with section 26 of the Companies Act, 2013 and filed with the SME Platform of Stock Exchanges 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 the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Escrow Account (s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favor the Applicants (excluding ASBA applicants) will issue cheques or drafts in respect of the Application Amount when submitting any Application(s) pursuant to this Issue
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Escrow Collection Banks for collection of the Application Amounts and where applicable, refunds of the amount collected to the Applicants (excluding ASBA Applicants) on the terms and conditions thereof.
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 finalized 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 circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in “Issue Procedure” on page 342 of this Draft Red Herring Prospectus
IFRS	International Financial Reporting Standard
Indian GAAP	Generally Accepted Accounting Principles in India
“Issue” or “Initial Public Issue”	The Initial Public Issue of [●] Equity Shares of face value of

Term(s)	Description
	Rs.10/- each for cash at a price of Rs. [●] per equity shares (including a premium of Rs. [●] per equity share) aggregating Rs. [●] Lakhs by our Company.
Issue Agreement	The agreement dated [●] between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The price at which the Equity Shares will be allotted in terms of the Draft 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 Draft Red Herring Prospectus.
Issue Proceeds/Gross Proceeds	Proceeds from the Issue that will be available to our Company being Rs. [●] Lakhs. For further information about the use of Issue Proceeds, see “Objects of the Issue” on page 115 this Draft Red Herring Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited.
Market Making Agreement	Market Making Agreement dated [●] between our Company, BRLM and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being “NNM Securities 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 [●] Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of [●] per Equity Share aggregating [●] 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
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
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of [●] per Equity Share aggregating [●] lakhs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non-Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000 but not including NRIs other than FIIs and FPIs,
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 applicants other than retail individual investors and

Term(s)	Description
	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 (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in All edition of the English national newspaper [•], All edition of the Hindi national newspaper [•] and [•] edition of the Marathi newspaper [•], each with wide circulation.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus to be filed with ROC containing, inter-alia, the issue size, the issue opening and closing dates and other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on [•] amongst our Company, BRLM, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Application 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 30% 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)	Account to which Application monies to be refunded to the Applicants
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, ICICI Bank Limited.
Refund through electronic transfer of funds	Refund through NECS, direct credit, RTGs or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading

Term(s)	Description
	Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE 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: http://www.bseindia.com/members/MembershipDirectory.aspx and http://www.nseindia.com/membership/dynaContent/findabroker.htm
Registrar Agreement	The agreement dated [•] entered into by and between 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 /Registrar to the Issue	Registrar to the Issue, in this case being Cameo Corporate Services Ltd, Subramanian building, 1 Club house Road, Chennai 600002, India.
Registrar and Share Transfer Agent 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
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Applications under reservation portion.
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 Karta), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
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 offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on: http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries 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
SME Platform	The SME Platform of BSE Limited ("BSE SME") for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
Sub-Syndicate members	A SEBI registered member of BSE Limited appointed by the BRLM and/or Syndicate Member to act as a Sub-Syndicate Member to the Issue.
Syndicate Agreement	Includes the BRLM, Syndicate Members and Sub-Syndicate Members.
Syndicate or Members of the	Intermediaries registered with SEBI who are permitted to carry out

Term(s)	Description
Syndicate	activities as an underwriter, namely, [●]
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	Holani Consultants Private Limited & NNM Securities Private Limited
Underwriting Agreement	The agreement dated [●] entered into between the Underwriter and our Company
Working Day	. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; . Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical and Industry Related Terms

Term(s)	Description
AC	Alternating Current
Amp	Ampere
CCFL	Cold Cathode Fluorescent Lamp
CCT	Correlated Color Temperature
CFC	Chlorofluorocarbon
CFL	Compact Fluorescent Lamp
CQS	Color Quality Scale
CRI	Color Rendering Index
CT	Color Temperature
DC	Direct Current
EISA	Energy Independence and Security Act
EPACT	Energy Policy Act
ESL	Electron Stimulated Luminescence
HID	High Intensity Discharge
HO	High Output
HVAC	Heating, Ventilation and Air Conditioning
Hz	Hertz
IR	Infrared
IS	Instant Start
kWh	Kilowatt Hour
LCD	Liquid Crystal Diode
LCR	Least Cost Routing
LED	Light Emitting Diode
LEP	Light Emitting Plasma
LPW or lm / W	Lumens Per Watt
NEC	National Electric Code
nm	Nanometer
PCB	Printed Circuit Board
SMD	Surface Mount Device
SMT	Surface-Mount Technology
SSL	Solid State Lighting
R	Resistance
RGB	Red, Green and Blue
RS	Rapid Street

Term(s)	Description
UV	Ultraviolet Radiation
V	Voltage
W	Watt
AC	Alternating Current

Conventional and General Terms / Abbreviations

Term(s)	Description
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investments Fund
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
AoA	Articles of Association
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLMs	Book Running Lead Manager
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CMD	Chairman and Managing Director
CIN	Corporate Identification Number
Companies Act	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, to the extent in force pursuant to the notification of the notified sections
Depositories	NSDL and CDSL; 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	Director General for Foreign Trade
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
EPS	Earnings Per Share
FDI	Foreign Direct Investment
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(s)	Foreign Institutional Investors

Term(s)	Description
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FPI(s)	Foreign Portfolio Investor
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
F.Y./FY	Financial Year
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
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Rules	The Income Tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
Key Managerial Personnel/KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “Our Management” beginning on page 208 of this Draft Red Herring Prospectus
Ltd.	Limited
MD	Managing Director
Mtr	Meter
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
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
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
p.a.	per annum

Term(s)	Description
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RONW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
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 Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
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(s)	SME Platform of BSE Limited
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S./ USA/ United States	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
WDV	Written Down Value
WTD	Whole-time Director
w.e.f.	With effect from
YoY	Year over year

Notwithstanding the following: -

1. In the section titled “Main Provisions of the Articles of Association” beginning on page 394 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapter titled “Financial Statements as Restated” beginning on page 251 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter;
3. In the section titled “Risk Factors” beginning on page 20 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled “Statement of Possible Tax Benefits” beginning on page 125 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
5. In the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 285 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 251 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 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12month period ended March 31st 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 251 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 publicly available information, Industry Sources and Government Publications.

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

Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the BRLM 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*” on page 20 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 and national and international economies;
- changes in the market of electric lighting, it could cause our products to become obsolete or lose popularity;
- As we depend heavily on our LED business, any factor adversely affecting LED product will negatively impact our profitability;
- Any failure to maintain relationships with our franchisees with respect to our retail business and with our distributors with respect to our distribution business;
- Our failure to anticipate and respond to changes in fashion trends and consumer preferences in a timely manner.;
- Any inability to increase our market share in premium products;
- Our inability to maintain an optimal level of inventory in our stores;
- Any inability to expand into new geographic markets or penetrate existing markets;
- Market fluctuations and industry dynamics beyond our control;
- Developments affecting the Indian economy;
- Changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- General social and political conditions in India which have an impact on our business activities or investments; And
- If we are unable to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate 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 20 and 285 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, BRLM, Underwriters 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. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, particularly the “Our Business”, “Financial Statements as Restated” and related notes, and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on page 173, 251 and 285 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before taking a decision to invest 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 legal and regulatory environment in which some material aspects may be different from those prevailing in the other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we actually face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects. 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 currently known to us or that we currently consider as immaterial to our operations.

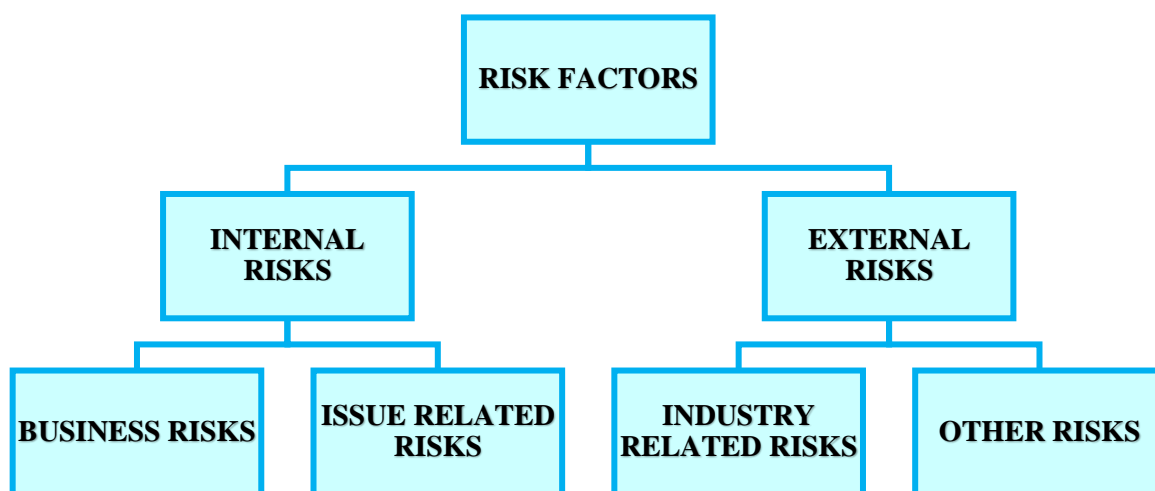
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and Companies Act, and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding the prospective investors should read this section in conjunction with the chapters title “Our Business” beginning on Page 173 “Our Industry” beginning on Page 127, and “management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on Page 285 respectively of this Draft Red herring Prospectus as well as other information contained herein.

Materiality:-

The Risk Factors have been determined on the basis of their 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.*
- *Some events may not be material at present but may be having material impact in future.*

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



INTERNAL RISK FACTORS

Business Specific / Company Specific Risk

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

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

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

According to the Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory or regulatory actions and taxation matters, is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of Rs. 40 Lakhs or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labor Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	6	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	0.00	Not Ascertainable	51.19	0.00	0.00	0.00
Promoters						
By the Promoters	1	1	Nil	Nil	Nil	Nil
Against the Promoters	3	Nil	15	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	Not Ascertainable	Not Ascertainable	93.84	0.00	0.00	0.00
Group Companies						
By Group Companies	1	21	Nil	Nil	Nil	Nil
Against Group Companies	1	6	40	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	Not Ascertainable	7,388.56	299.70	0.00	0.00	0.00
Directors other than promoters						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	1	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	0.00	0.00	0.20	0.00	0.00	0.00
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	0.00	0.00	0.00	0.00	0.00	0.00

Note: The amounts may be subject to additional interest / other charges being levied by the concerned authorities which are unascertainable as on the date of this Draft Red Herring Prospectus.

The detailed information on the outstanding litigations are set forth in chapter "Outstanding Litigation and Material Developments" on page 297 of this Draft Red Herring Prospectus.

We cannot assure you that any of the legal proceedings described above will be decided in favor of the Company, the Promoters and the Group Companies, respectively. Further, the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally. Should any new developments arise, such as a change in Indian law or rulings by appellate courts or tribunals, additional provisions may need to be made by

us, the Promoters, the Directors and the Group Companies in our respective financial statements, which may adversely affect our business, financial condition and reputation. We may incur significant expenses and management time in such legal proceeding. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, future financial performance and results of operations.

Further, our Company is not in possession of affirmed documents pertaining to litigation matters described in the chapter titled *"Outstanding Litigation and Material Developments"* beginning on page 297 of this Draft Red Herring Prospectus. Accordingly, reliance has been placed on court orders, documents and undertakings furnished by the Company to describe the facts of litigation in the aforesaid chapter. Also, we are not in possession of the copy of the First information Report ("**FIR**") filed against one of our directors Pravin Kumar Agarwal bearing FIR No. 54/17. Therefore, we cannot assure you that all information pertaining to the above is accurate.

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

We are engaged into manufacturing of high-power LED and LED lighting accessories in India. We manufacture LED luminaires for indoor as well as outdoor requirement. Our business is significantly dependent on our ability to successfully identify customer requirements and preferences and gain customer acceptance for our products. If we are unable to successfully identify customer requirements and preferences and gain customer acceptance for our products, our business may be affected. Our future success depends on our ability to ensure continued demand for our products in existing and proposed markets, which requires us to develop and maintain relationships with various customers and continuously anticipate and respond in a timely manner to customer requirements and preferences. Our business will be adversely affected if we are unable to successfully anticipate customer requirements, or are unable to modify our current portfolio of products or develop new products, in a timely manner, we may lose customers or become subject to greater pricing pressures. The loss of clients/customers may have a material adverse effect on our operations. Further, though we are committed to product innovation to respond to changing technology in the electric equipment industry, there can be no assurance that we would be successful in developing new products that respond to such changes or changes in customer requirements and preferences or that our products would gain acceptance in our existing or new markets. A decline in demand for our products, or an error in our forecasts for future demand, among other things, could lower our sales, increase inventory levels and may require us to sell our products at substantially marked-down prices. Moreover, failure to correctly anticipate trends and adapt to the changing technological environment may result in obsolescence of and reduced demand for our products.

Further, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive. To keep abreast of the most updated technology and respond effectively to changing customer preferences and requirements, we may be required to undertake additional capital expenditures and investments to upgrade our manufacturing facilities. Our research and development efforts towards upgrading and developing newer technologies for manufacturing modern electric equipment at competitive prices may not be successful or may not fructify into successful commercial production in a timely manner or at all.

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

Our manufacturing operations are significantly dependent on access to a large pool of skilled, semi-skilled and un-skilled manpower. Our dependence on such skilled, semi-skilled and un-skilled manpower may result in significant risks for our operations, relating to the availability of such skilled, semi-skilled and un-skilled manpower. There can be no assurance that we will have adequate access to skilled, semi-skilled and un-skilled manpower at reasonable rates or at all. As a result, we may be required to incur additional costs to ensure smooth running of our operations. We also depend on third party contractors for providing manpower for various services associated with our business. We

cannot assure you that manpower, whether hired through contractors or directly, will continue to be available at reasonable wages in the areas where our manufacturing facilities are located.

4. In the 12 months prior to the date of filing the Draft Red Herring Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price.

In the 12 months prior to the date of filing of the Draft Red Herring Prospectus, the Company had allotted 88,74,030 Equity Shares as bonus shares to its existing shareholders. For more details on the issuance of Bonus shares, please see "*Capital Structure*" on page 91 of this Draft Red Herring Prospectus.

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

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

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

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

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

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

extent we are unable to line up supplies from alternate suppliers.

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

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

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

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

9. We rely upon the success of our dealers and retailers' network for our sales.

We are dependent on our dealers and retailers' network for our sales. We have not entered into any agreements with our dealers and retailers and consequently they are not contractually required to sell our products on an exclusive basis. In addition, no assurance may be given that the current dealers and retailers will continue to do business with us or that we can continue to attract new dealers and retailers to our network. Our business is dependent on our ability to attract and retain third-party dealers and retailers and such parties' ability to promote sell and market our products effectively. Maintaining good relations with the dealers and retailers is vital to our business. Our inability to maintain stability of our dealers and retailers' network and to attract new distributors to our dealers and retailers network in the future could adversely affect our business, results of operations and financial condition

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

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

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

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

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

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

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

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

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

Certain of our Promoters may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favorable than if the transaction had been conducted on an arms-length basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise. For more information on our related party transactions, see "Financial Statements – [Annexure 31] – Restated Consolidated Statement of Related Party Transactions" on page 251.

Additionally, we have in the course of our business entered into, and will continue to enter into, transactions with related parties. Certain of the key related party transactions entered into by us include properties taken on lease from our Promoters and sale and supply agreements entered into with our Promoters.

While we believe that all of our related party transactions have been executed at an arm's length basis and are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to the interests of our Company. For more details, see "Financials Statements – Annexure 31 – Restated Consolidated

Statement of Related Party Transactions" on page 251. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

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

For further details on the agreements entered into with our Promoters, Directors and Group Companies, see "*History and Certain Corporate Matters*", "*Our Management*" and "*Promoters and Group Companies*" on pages 204, 208 and 222 respectively.

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

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

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

Our business involves manufacturing processes that may be potentially dangerous to our employees. Although we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labor dispute, obsolescence or other reasons, our

financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

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

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

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

Our Company has covered itself against certain risks. The main insurance policies obtained by us consist of fire and special perils insurance with add on cover for earthquakes and in certain cases, for our manufacturing facilities, machinery and other equipment and products that we manufacture. Our significant insurance policies as specified in section titled Insurance Policies on page 192 of this Draft Red Herring Prospectus. While we believe that the insurance coverage that we maintain is in accordance with industry custom, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected.

18. We may be subject to risks associated with product warranty.

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

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

The majority of our issued and outstanding equity shares are currently beneficially owned by our Promoters and the members of our Promoter Group. Upon completion of the Issue, our Promoters and members of our Promoter Group will own [●] equity shares, or [●] % of our post-Issue Equity Share capital, assuming full subscription of the Issue. Accordingly, our Promoters and members of our Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may result in certain transactions becoming more difficult or impossible to undertake without the support of these shareholders. The interests of our Promoters and Promoter Group as the Company's controlling

shareholders could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that our Promoters and the members of our Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

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

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

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

As of March 31, 2018, we have outstanding debt of 1,301.56 lakhs (excluding non-fund based borrowing). Such level of indebtedness has important consequences to us, such as:

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

If any of these risks were to materialize, our business and results of operations may be adversely affected. For further information, see section titled "*Financial Indebtedness*" on page 294 of this Draft Red Herring Prospectus.

22. We are subject to certain restrictive covenants in our financing arrangements which may limit our operational and financial flexibility, and our future results of operations and financial condition may be adversely affected if we fail to comply with these covenants.

Some of our financing agreements set limits on us or require us to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. For instance, as per our financing arrangements with our lenders we have to obtain their prior written consent before changing or altering our capital structure. In addition, these restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. For further information, see section titled "*Financial Indebtedness*" on page 294.

23. Increases in interest rates may materially impact our results of operations.

Substantially all of our secured debt carries interest at floating interest rates or at rates that are subject to adjustments at specified intervals. Further, any future indebtedness that we undertake may also carry interest at floating rates. We are exposed to interest rate risk in respect of indebtedness for which we have not entered into any swap or interest rate hedging transactions, although we may decide to engage in such transactions in the future. However, such transactions may not be at

commercially reasonable terms and such agreements may not protect us fully against such interest rate risk. We may further be unable to pass any increase in interest expense to our existing and/or future customers, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

24. We have taken advance from customers, outstanding of which is at Rs. 2 Crores as on July 31, 2018. In case of abrupt cancellation of orders and untimely demand of advance, we will have to arrange these funds which may carry higher cost of funding, which may have an impact on our financial operations.

We have taken advance from customers, outstanding of which is at Rs. 2 Crores as on July 31, 2018. In case of abrupt cancellation of orders and untimely demand of advance, we will have to arrange these funds which may carry higher cost of funding and it may affect the financial operations of our Company to that extent.

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

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, Our Company has made necessary application for obtaining the Factory License under the Factories Act, 1948. Also, pursuant to our conversion from a Private Limited Company to a Public Limited Company in the year 2015, we have made necessary applications need to take necessary steps for transferring certain approvals and licenses of our Company to the new name.

In case of delay or failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. We have applied for certain regulatory approvals that have not been received as of the date of this Draft Red Herring Prospectus. For further details, please refer to the section titled "Government and Other Approvals" on page 313.

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

Since the Issue size is less than Rs. 50,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

as may be prescribed by SEBI, in this regard.

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

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

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

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

(Rs. in Lakhs)

Particulars	For the Period ended March 31, 2018
A. Current Assets	
Inventories	1,921.22
Trade Receivables	2,501.90
Cash and Bank Balances	2.55
Short term loans & advances	214.91
Other Current Assets	171.50
Sub-total (A)	4,812.08
B. Current Liabilities	
Trade Payables	2,002.51
Other Current Liabilities	1,239.08
Short Term Provisions	589.60
Sub-total (B)	3,831.19
Working Capital (A-B)	980.89
Inventories as % of total current assets	39.92%
Trade receivables as % of total current assets	51.99%

Our Company intends to continue growing by expanding our geographical reach and obtaining sales orders. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funds, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "Objects of the Issue" beginning on page 115 of this Draft Red Herring Prospectus.

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

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

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

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

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

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

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

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

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

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

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

Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human

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

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

Based on our Restated financial statements as at March 31st, 2018, we do not have any contingent liabilities. However, in the event if any such contingency arises and materializes during the subsequent periods, our financial condition could be adversely affected. For further details, see the section entitled "*Financial Statements*" on page 251 of this Draft Red Herring Prospectus.

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

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

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

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

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

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

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

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

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

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

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

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by a personal guarantee of our promoters or members of our promoter group. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors/ Key Managerial Personnel(s) ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our promoters or members of the promoter group withdraws or terminates his/ their guarantee(s) or security, the lenders for such facilities may ask for alternate guarantee(s) or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee(s) or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “Financial Indebtedness” beginning on page 294 of this Draft Red Herring Prospectus.

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

As on March 31, 2018, our Company has unsecured loans amounting to Rs. 428.78 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of above-mentioned loans of our Company, please refer the chapter titled “Financial Statements as Restated” beginning on page 251 of this Draft Red

Herring Prospectus.

- 42. Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page no. 115 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 for Working Capital and General Corporate Purposes. We intend to deploy the Net Issue Proceeds in FY 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 fresh issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc. For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 115 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page no. 115 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Audit Committee will monitor the utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2009, as amended from time to time, a company shall not vary the objects of the Issue without our Company being authorized to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price and in such manner as may be prescribed by SEBI, in this regard.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 115 of this Draft Red Herring Prospectus.

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

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm ‘s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter titled “Related Party Transactions” beginning on page 249 of this Draft Red Herring Prospectus.

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

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company and credit balance due to them if any against purchases made from entities in which they are interested. For further information, see “Capital Structure” and “Our Management” and “Related Party Transactions” beginning on pages 91, 208 and 249, respectively, of this Draft Red Herring Prospectus.

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

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

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

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

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

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

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

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

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

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Rajasthan.

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

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

Issue Related Risks

49. 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 fixed price method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page no 122 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.

50. 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.

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

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

52. You will not be able to sell immediately on stock exchange any of the equity shares you purchase in the issue until the issue receives required trading permissions.

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

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

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

- Volatility in the Indian and Global Capital Market;
- Companies' 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.

EXTERNAL RISK FACTORS

Industry Related Risks

54. 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

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related

to issue of capital, disclosures in Draft Red Herring Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

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

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

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

57. 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 251, 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.

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “Key Industry Regulations and Policies” on page no. 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 unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

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

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

59. 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.

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

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

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

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

61. 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.

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

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which our company operates has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page 127 of the Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

64. 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.

65. 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.

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

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

67. 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.

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

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

69. 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 [●] Equity Shares of face value of Rs. 10/- each of the Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per equity share) ("The Issue Price") aggregating upto 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 to Rs. [●] Lakhs will be reserved for subscription by the Market Maker to the issue ("Market maker Reservation Portion"). The Issue less the Market Maker Reservation Portion of [●] Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the fully diluted post Issue paid up equity share capital of the Company. For more information, please refer to chapter titled "The Issue" on page 76 of this Draft Red Herring Prospectus.
2. The restated pre – issue net worth of our Company was Rs. 1,809.56 Lakhs as at March 31st, 2018. The book value of each Equity Share was Rs. 40.78/- as on March 31st, 2018 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements as restated" beginning on page 251 of this Draft Red Herring Prospectus.
3. The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the weighted average of amount paid by them to acquire our Equity Shares, is as follows:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
1	Pravin Kumar Agarwal	17,08,125	1.54
2	Yashvikram Infrastructure Private Limited	43,06,500	1.88

For further details relating to the allotment of equity shares to our promoters, please refer to the chapter titled “*Capital Structure*” beginning on page 91 of this Draft Red Herring Prospectus.

4. For details of Related Party Transactions entered into by our Company and loans and advances made to any company in which Directors are interested, please refer to the chapter titled “*Related Party Transactions*” beginning on page 249 of this Draft Red Herring Prospectus.
5. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters and Promoter Group*”, “*Our Management*” and “*Related Party Transactions*” beginning on pages 91, 222, 208 and 249 respectively, of this Draft Red Herring Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
6. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 91 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
7. The Investors may contact the Books Running Lead Manager (BRLM) or the Company Secretary & Compliance Officer for any clarification / complaint / information relating to the Issue, which shall be made available by the BRLM and our Company to, the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the BRLM and the Company Secretary & Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 78 of this Draft Red Herring Prospectus.
8. Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 122 of this Draft Red Herring Prospectus.
9. Trading in Equity Shares for all investors shall be in dematerialized form only.
10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent 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 this Draft Red Herring Prospectus.
11. Except as stated in the chapter titled “*Our Group Companies*” beginning on page 232 and chapter titled “*Related Party Transactions*” beginning on page 249 of this Draft Red Herring Prospectus, our Group Companies have no business interest or other interest in our Company.
12. 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 339 of this Draft Red Herring Prospectus.
13. Our Company was originally incorporated as a private limited company in the name of “Artemis Electricals Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated October 26th, 2009 bearing Corporate Identification No. U51505MH2009PTC196683. Subsequently our company was converted into a Public Limited Company pursuant to a Shareholder’s resolution passed at the Extraordinary General Meeting held on July 25th, 2015 and the name of the company was changed to “Artemis Electricals Limited” pursuant to issuance of fresh certificate of incorporation consequent upon conversion of company from private to public dated August 27th, 2015 by Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our company is U51505MH2009PLC196683. The registered office of our company is Artemis Complex, Gala no. 105 & 108, National Express Highway, Vasai (East), Thane, Maharashtra – 401208, India. For information on our Company’s profile, please refer to chapters titled “*Our History and Certain Other Corporate Matters*” beginning on page 204 of this Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. 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 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 20 and 251 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

OVERVIEW OF LED MANUFACTURING INDUSTRY

A **light-emitting diode (LED)** is a two-lead semiconductor light source. It is a p–n junction diode that emits light when activated. When a suitable current is applied to the leads, electrons are able to recombine with electron holes within the device, releasing energy in the form of photons. This effect is called electroluminescence, and the color of the light (corresponding to the energy of the photon) is determined by the energy band gap of the semiconductor. LEDs are typically small (less than 1 mm²) and integrated optical components may be used to shape the radiation pattern. Early LEDs were often used as indicator lamps for electronic devices, replacing small incandescent bulbs. They were soon packaged into numeric readouts in the form of seven-segment displays and were commonly seen in digital clocks. Recent developments have produced LEDs suitable for environmental and task lighting. LEDs have led to new displays and sensors, while their high switching rates are useful in advanced communications technology.

LEDs have many advantages over incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching. Light-emitting diodes are used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, camera flashes, lighted wallpaper and medical devices. They are also significantly more energy efficient and, arguably, have fewer environmental concerns linked to their disposal. Most LEDs were made in the very common 5 mm T1¾ and 3 mm T1 packages, but with rising power output, it has grown increasingly necessary to shed excess heat to maintain reliability, so more complex packages have been adapted for efficient heat dissipation. Packages for state-of-the-art high-power LEDs bear little resemblance to early LEDs. Light output and efficiency of blue and near-ultraviolet LEDs rose as the cost of reliable devices fell. This led to relatively high-power white-light LEDs for illumination, which are replacing incandescent and fluorescent lighting.

Applications

LED uses fall into four major categories:

- Visual signals where light goes more or less directly from the source to the human eye, to convey a message or meaning
- Illumination where light is reflected from objects to give visual response of these objects
- Measuring and interacting with processes involving no human vision[176]

- Narrow band light sensors where LEDs operate in a reverse-bias mode and respond to incident light, instead of emitting light.

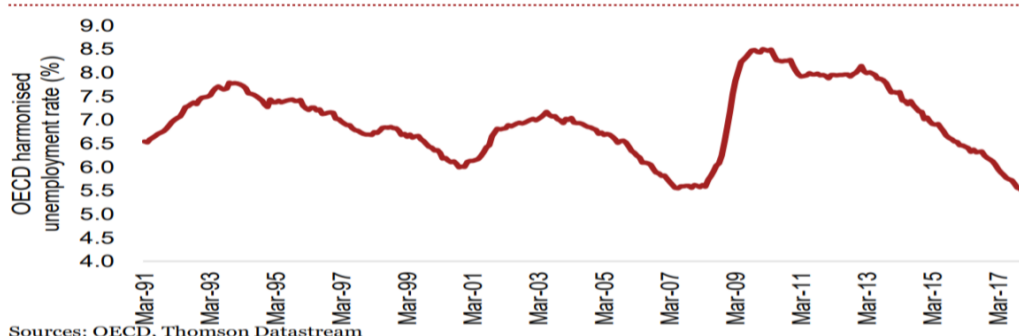
Source: https://en.wikipedia.org/wiki/Light-emitting_diode

GLOBAL ECONOMIC ENVIRONMENT

GLOBAL ECONOMIC OVERVIEW

Ten years after the Global Financial Crisis, the recovery is underway and output levels have surpassed pre-crisis levels in most advanced economies. But how are labour markets performing? At a high level, they have (almost) never been better. Figure 1 shows that the Organization for Economic Co-operation and Development (“OECD”) harmonized unemployment rate is at its lowest ever recorded rate of 5.4%. But despite tightening labour markets, wages have not yet picked up as economic theory would predict. This has been a key feature in large economies like the US and the UK—we looked at the latter in more detail in our UK Economic Outlook report last July. In this edition, we look closely at the relationship between unemployment and wage growth—traditionally described as the ‘Phillips Curve’—for the Eurozone. Looking at the high-level statistics, the Eurozone unemployment rate currently stands at the 8.5% mark— but this doesn’t reveal the wide variation across member states from around 3.5% in Germany to over 20% in Greece. Our analysis highlights some of the potential reasons for the decoupling of wage inflation from unemployment rates, including: • Structural factors such as the digitalization of work and erosion of the bargaining power of workers (in part due to reduced trade union membership); • The creation of a single monetary authority in the Eurozone since 1999, which has lowered inflation expectations in some markets; and • The accession of the lower income Eastern European economies which effectively increased the supply of labour available to Eurozone (and European Union) economies. On a broader note, we continue to monitor economic developments in the Eurozone, which continues to grow at robust rates— the latest flash estimate shows the bloc grew by 0.4% quarter-on quarter in the first three months of the year. However, our analysis of the latest set of detailed national accounts data shows that the Eurozone is increasingly reliant on external demand as a key source of GDP growth. This could make the bloc more susceptible to uncertainties in the international trade arena and could explain some of the softening of the survey data which came out last month. By comparison, the US economy grew by 0.6% quarter-on-quarter for the first three months of the year, whereas the UK just by 0.1% quarter-on quarter. We will be monitoring these for any revisions in the coming weeks.

Fig 1: The OECD unemployment rate is currently at its lowest level since records began



Economic update: Eurozone economic performance remains reliant on external demand

Ten years on from the global financial crisis of 2008, the Eurozone is exhibiting signs of broad-based growth. Last year, for example, the bloc grew at an estimated rate of 2.3% —the fastest rate of growth recorded since the financial crisis. The latest breakdown of the national accounts shows a more detailed picture of the sources of growth. Our analysis of the data in Figure 2 shows that: • Household

consumption held up as a key source of economic growth throughout the period, but there are signs that households remain cautious in their spending habits. This was reflected in the gradual uptick in the savings ratio from about 11.9% in the last quarter of 2016 to about 12.2% in the fourth quarter of 2017—despite about a million jobs being created in the Eurozone since the first quarter of 2016. • The contribution of gross fixed capital formation (or investments) was the biggest driver of economic growth in 2016. • Other sources of growth like government consumption held steady as austerity has eased and government budgets are now growing in line with economic performance. ...with net exports the bloc's strong and weak point However, the most impressive turnaround recorded is that of net exports, which swung from a negative contribution of almost one percentage point in the second quarter of 2016 to a positive contribution of 1.3 percentage points in the fourth quarter of 2017 (see Figure 2). Geographically, most of this was driven by the peripheral economies (particularly in the tourism sector where most experienced a recorded breaking year). Looking to the future, net exports highlight both the Eurozone's key strength and vulnerability. On the one hand, strong growth in the Eurozone's key exports markets is expected to continue. But at the same time, reliance on external demand as a key source of economic growth means the Eurozone is more susceptible to uncertainty and potential disruption in the global trading system.

GLOBAL GROWTH FORECAST

Global growth for 2018 and 2019 is projected at 3.9 percent, as forecast in the April 2018 WEO. While headline numbers suggest a broadly unchanged global outlook relative to the April WEO, underlying revisions point to differing prospects across economies. The baseline forecast assumes gradually tightening but still favourable financial conditions, with localized pressures based on differences in fundamentals. Monetary policy normalization in advanced economies is assumed to proceed in a well-communicated, steady manner. Domestic demand growth (notably investment, which has been an important part of the global recovery) is expected to continue at a strong pace, even as overall output growth slows in some cases where it has been above trend for several quarters. In the baseline forecast, the direct contractionary effects of recently announced and anticipated trade measures are expected to be small, as these measures affect only a very small share of global trade so far. The baseline forecast also assumes limited spill overs to market sentiment, even if escalating trade tensions are an important downside risk.

Advanced economy growth is expected to remain above trend at 2.4 percent in 2018—similar to 2017—before easing to 2.2 percent in 2019. The forecast for 2018 is lower by 0.1 percentage point compared to the April WEO, largely reflecting greater-than-expected growth moderations in the euro area and Japan after several quarters of above-potential growth.

- In the *United States*, near-term momentum in the economy is expected to strengthen temporarily in line with the April WEO forecast, with growth projected at 2.9 percent in 2018 and 2.7 percent in 2019. Substantial fiscal stimulus together with already-robust private final demand will lift output further above potential and lower the unemployment rate below levels last registered 50 years ago, creating additional inflationary pressures. Imports are set to pick up with stronger domestic demand, increasing the US current account deficit and widening excess global imbalances.
- Growth in the *euro area* economy is projected to slow gradually from 2.4 percent in 2017 to 2.2 percent in 2018 and to 1.9 percent in 2019 (a downward revision of 0.2 percentage point for 2018 and 0.1 percentage point for 2019 compared with the April WEO). Forecasts for 2018 growth have been revised down for *Germany* and *France* after activity softened more than expected in the first quarter, and in *Italy*, where wider sovereign spreads and tighter financial conditions in the wake of recent political uncertainty are expected to weigh on domestic demand.
- The growth forecast for *Japan* has been marked down to 1.0 percent for 2018 (0.2 percentage point below the April WEO projection) following a contraction in the first quarter, owing to weak private

consumption and investment. The economy is expected to strengthen over the remainder of the year and into 2019, aided by stronger private consumption, external demand, and investment. Emerging market and developing economies have experienced powerful crosswinds in recent months: rising oil prices, higher yields in the United States, dollar appreciation, trade tensions, and geopolitical conflict. The outlook for regions and individual economies thus varies depending on how these global forces interact with domestic idiosyncratic factors. Financial conditions remain generally supportive of growth, though there has been differentiation across countries based on economic fundamentals and political uncertainty. With the updraft on oil exporters from higher oil prices largely offset by the combined drag on other economies from the forces described above, the group's overall 2018 and 2019 growth forecasts remain unchanged from the April WEO at 4.9 and 5.1 percent, respectively.

- *Emerging and Developing Asia* is expected to maintain its robust performance, growing at 6.5 percent in 2018–19. Growth in China is projected to moderate from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019, as regulatory tightening of the financial sector takes hold and external demand softens. India's growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, as drags from the currency exchange initiative and the introduction of the goods and services tax fade. The projection is 0.1 and 0.3 percentage point lower for 2018 and 2019, respectively, than in the April WEO, reflecting negative effects of higher oil prices on domestic demand and faster-than-anticipated monetary policy tightening due to higher expected inflation. Growth in the ASEAN-5 group of economies is expected to stabilize at around 5.3 percent as domestic demand remains healthy and exports continue to recover.
- In *Emerging and Developing Europe*, growth is projected to moderate from 5.9 percent in 2017 to 4.3 percent in 2018 and further to 3.6 percent in 2019 (0.1 percentage point lower than in the April WEO for 2019). Financial conditions have tightened for some economies with large external deficits— notably *Turkey*, where growth is set to soften from 7.4 percent in 2017 to 4.2 percent this year.
- Growth in *Latin America* is projected to increase modestly from 1.3 percent in 2017 to 1.6 percent in 2018, and further to 2.6 percent in 2019 (0.4 and 0.2 percentage point lower than projected in the April WEO). While higher commodity prices continue to provide support for commodity exporters in the region, the subdued outlook compared with April reflects more difficult prospects for key economies, owing to tighter financial conditions and needed policy adjustment (Argentina); lingering effects of strikes and political uncertainty (Brazil); and trade tensions and prolonged uncertainty surrounding the NAFTA renegotiation and the policy agenda of the new government (Mexico). The outlook for Venezuela, which is experiencing a dramatic collapse in activity and a humanitarian crisis, was revised down further, despite the pickup in oil prices, as oil production has declined sharply.
- Oil exporters in the *Middle East, North Africa, Afghanistan, and Pakistan* region have benefited from the improved outlook for oil prices, but the outlook for oil importing countries remains fragile. Several economies still face large fiscal consolidation needs and the threat of intensifying geopolitical conflict continues to weigh on growth in the region. Growth is projected to strengthen from 2.2 percent in 2017 to 3.5 percent in 2018 and further to 3.9 percent in 2019—0.2 percentage point higher than in the April WEO for 2019.
- The recovery in *Sub-Saharan Africa* is set to continue, supported by the rise in commodity prices. For the region, growth is expected to increase from 2.8 percent in 2017 to 3.4 percent this year, rising further to 3.8 percent in 2019 (0.1 percentage point higher for 2019 than forecast in the April WEO). The upgraded forecast reflects improved prospects for *Nigeria's* economy. Its growth is set to increase from 0.8 percent in 2017 to 2.1 percent in 2018 and 2.3 percent in 2019 (0.4 percentage point higher than in the April WEO for 2019) on the back of an improved outlook for oil prices. Despite the weaker-than-expected first quarter outturn in *South Africa* (in part due to temporary factors), the economy is expected to recover somewhat over the remainder of 2018 and into 2019 as confidence improvements associated with the new leadership are gradually reflected in strengthening private investment.

- Growth in the *Commonwealth of Independent States* is projected to stabilize at around 2.3 percent in 2018–19, with an upward revision of 0.1 percentage point for each year compared with the April WEO. The outlook for the *Russian* economy is similar to the April projection, with the positive effects of higher oil prices counterbalanced by the impact of sanctions, while the outlook for *Kazakhstan* has improved on stronger oil prices.

Risks Tilted to the Downside

While the baseline forecast for global growth is roughly unchanged, the balance of risks has shifted to the downside in the near term and, as in the April 2018 WEO, remains skewed to the downside in the medium term. The possibility for more buoyant growth than forecast has faded somewhat in light of the weak outturns in the first quarter in several large economies, the moderation in high-frequency economic indicators, and tighter financial conditions in some vulnerable economies. Downside risks, on the other hand, have become more salient, most notably the possibilities of escalating and sustained trade actions, and of tighter global financial conditions.

- *Financial tensions.* Recent bouts of volatility highlight the possibility of abrupt shifts in global financial conditions due to markets' reassessment of fundamentals and risks, including changing expectations about monetary policy or the effects of rising trade tensions, sudden increases in risk- or term premia, and increasing political uncertainty. As discussed in the April 2018 WEO and *Global Financial Stability Report*, signs of firmer-than-expected inflation in the United States could lead to a shift in market expectations of US interest rate hikes, which are currently well below those in the WEO baseline forecast. A sudden deterioration of risk appetite could trigger disruptive portfolio adjustments, accelerate and broaden the reversal of capital flows from emerging markets, and lead to further US dollar appreciation, straining economies with high leverage, fixed exchange rates or balance sheet mismatches. In some euro area countries, policy inaction and political shocks at the national level could lead to sovereign spread decompression, worsening public debt dynamics and weakening bank balance sheets. In China, where the authorities are taking welcome steps to slow credit growth, uncoordinated financial and local government regulatory action could have unintended consequences that trigger disorderly repricing of financial assets, increase rollover risks, and lead to stronger-than-forecast negative effects on activity.
- *Trade tensions.* The outlook is also clouded by ongoing trade tensions and waning support for global economic integration in some advanced economies. In the past few months, the United States has imposed tariffs on a variety of imports, prompting retaliatory measures from trading partners. At the same time, NAFTA and the economic arrangements between the United Kingdom and the rest of the European Union are under renegotiation. An escalation of trade tensions could undermine business and financial market sentiment, denting investment and trade. Beyond its immediate toll on market sentiment, the proliferation of trade measures could increase the uncertainty about the potential breadth of trade actions, thus hindering investment, while higher trade barriers would make tradable goods less affordable, disrupt global supply chains, and slow the spread of new technologies, thus lowering productivity.
- *Noneconomic factors.* By raising the possibility of slower reform implementation or significant changes in policy objectives, political uncertainty, including in the context of upcoming elections or their immediate aftermaths in several countries, could deter private investment and weaken economic activity. In Europe, the late May sell-off in Italian bonds has once again turned the spotlight on deep structural challenges and thin buffers at the national level, posing significant risks to the outlook. Geopolitical risks and domestic strife are weighing on the outlook in several economies, especially in the Middle East and sub-Saharan Africa. Furthermore, many countries remain vulnerable to the economic and humanitarian costs of extreme weather events and other natural disasters, with

GLOBAL OUTLOOK FOR GROWTH

Global growth: *expected to ease.* Global growth is projected to stabilize at 3.1 percent in 2018—the same pace as last year—supported by firming investment in advanced economies, a continued recovery in commodity-exporting emerging market and developing economies, and still robust growth in commodity-importing ones (Figure 1.A). However, only in a minority of countries will activity accelerate further this year, and global growth is projected to ease gradually over the next two years, to 2.9 percent in 2020. Despite the projected moderation, global growth will continue to exceed potential, suggesting that capacity constraints will become more binding and global inflation will rise.

Global trends: *less supportive of growth.* Trade has been robust, but is expected to moderate, as the recovery in capital spending wanes (Figure 1.B). A faster-than-expected rise in global interest rates, combined with a renewed strength of the U.S. dollar, have contributed to tighter external financing conditions and moderating capital inflows in emerging market and developing economies (EMDEs). In this context, investors have become increasingly focused on country-specific exposures to rising borrowing costs and currency pressures. Commodity prices—particularly oil—are also higher than previously expected, mainly reflecting supply-side considerations.

EMDE growth: *maturing recovery.* Growth in EMDEs is projected to gain further strength, reaching 4.5 percent in 2018 before stabilizing at 4.7 percent in 2019-20 as the recovery in commodity exporters matures. Growth in commodity exporters is expected to increase to 2.5 percent in 2018 and to average 3.0 percent in 2019 and 2020, as investment growth plateaus and output gaps close. Growth in commodity importers is projected to remain broadly stable in 2018-20, averaging 5.8 percent, as a structural slowdown in China is offset by a moderate pickup in the rest of the group.

Per capita income in EMDEs: *uneven progress.* Growth prospects for EMDEs remain favourable over the forecast horizon but may not be sufficient to ensure rapid poverty alleviation, particularly in Sub-Saharan Africa. In that region, per capita income growth is projected to reach 1 percent by 2020, significantly lower than the EMDE average of 3.5 percent. In contrast, per capita income growth is expected to reach 6 percent in South Asia, which is the region with the second largest number of 2 extreme poor. At the projected pace, growth will be insufficient to restart the catch-up of income per capita with advanced economies in about one-third of EMDEs (Figure 1.C).

Risks to the outlook: *tilted downward.* Risks to the outlook are tilted to the downside, with some becoming more acute. In particular, an accelerated tightening of global financing conditions and disorderly exchange rate developments could have severe consequences in many EMDEs facing record-high debt levels, mounting refinancing needs, and deteriorating credit quality (Figure 1.D). Escalation of trade restrictions among major economies could derail global trade, with particularly adverse consequences for EMDEs (Figure 1.E). Electoral outcomes in a number of countries, including in Europe, could heighten policy uncertainty, while an intensification of geopolitical tensions could also hamper growth prospects. Depleted policy buffers make many countries unprepared to the possibility of a faster-than-expected slowdown in global growth.

Policy priorities for EMDEs: *brace for headwinds.* Policymakers need to meet head-on the prospects of rising global interest rates and possible financial market volatility. Deteriorating debt dynamics underline the importance of fostering revenue mobilization and restoring fiscal buffers. EMDEs also need to boost longer-term growth prospects by intensifying economic diversification among commodity exporters, and, more broadly, by strengthening workforce skills, adapting to

technological change, and promoting trade openness. Higher tertiary education enrolment can help move EMDEs closer to technological frontiers, but improving basic numeracy, literacy, and skills from current levels is a key priority for many low- and middle-income countries (Figure 1.F).

Source: <http://pubdocs.worldbank.org/en/331521526414101557/Global-Economic-Prospect-2018-Highlights-Chapter-1.pdf>

THE INDIAN ECONOMY

Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April, 2017 and February, 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year. India has retained its position as the third largest start-ups base in the world with over 4,750 technology start-ups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

Recent Developments

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

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four-month low of 4.4 per cent in February 2018.

- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

(Exchange Rate Used: INR 1 = US\$ 0.0153 as on March 29, 2018)

Source: <https://www.ibef.org/economy/indian-economy-overview>

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

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LED MARKET OUTLOOK

According to the latest report from LED Inside, a division of the market research firm Trend Force, 2018 Light LED and LED Lighting Market Outlook, LED lighting market scale will achieve USD 32.72 billion in 2018 and will reach USD 33.3 billion in 2019 when lighting that can be replaced enter the period of saturation, while industrial, architectural and landscape, outdoor and special commercial lighting will keep on developing.

According to LED Inside survey on global installed LED lighting market, the quantity of installed LED lighting products replacing traditional lights increased rapidly. The LED lighting penetration in 2017 is 22% and it is expected to reach 63% in 2022. CAGR of installed LED lighting products will be 26% during 2017 to 2022. Lighting **LED** Market Value is Expected to reach 7.16 Billion in 2018.

The lighting LED market value increased more than 10% YoY in 2017, and is expected to grow about 7.8% in 2018, reaching USD 7.16 billion. But it will suffer decrease and enter recession period after 2020. The retrofit lamps like bulb and tube have been saturated, while the industrial lighting products including high/low bay and the commercial lighting products like troffer, panel light and filament lamp still achieve CAGR of 30%. The overall CAGR of lighting LED will reach 4% during 2016-2021. Quality of light is still the one of the market attentions. High-CRI LED refers to the LED products with CRI higher than 90, mostly applied to high-end commercial lighting market like museum lighting, retail lighting and food lighting which has strict requirement on quality of light. High-CRI LED takes up small market share at present, and its global market scale in 2017 is around USD 330 million. As the market demand increases in next few years and the package technology improve, the revenue is expected to achieve rapid growth.

Top Three Driving Forces for Global LED Lighting Market Trend

Driving Force One: Smart Lighting - The global smart lighting rapidly develops in 2017, and its market scale approximates to USD 4.6 billion, increased 95% YoY, as the technology & products mature and the product concepts become popular, the market scale is expected to reach USD 13.4 billion in 2020. Industrial and commercial lighting are the largest application fields of smart lighting, due to its digitalization, smart lighting will bring more new business model and value growth point for these two fields.

Driving Force Two: Niche Lighting—LED Inside surveyed four niche lighting market segment, including horticulture lighting, healthcare lighting, fishing lighting, and marine lighting and harbor lighting. Amongst those, Horticulture lighting grow rapidly in the US and China, which is mainly promoted by the demand for plant factory construction and greenhouse lighting.

Driving Force Three: Lighting in Emerging Countries - The economic development of emerging countries promotes infrastructure construction and enhances urbanization; the construction of large-scale commercial facilities and infrastructure and industrial economic zone stimulate LED lighting needs. Besides, the energy-saving policies including energy subsidies, tax incentives announced by national and local governments, the large-scale bidding projects like street lighting, residents and business district renovation and the improvement of lighting products standard certification contribute to the promotion of LED lighting. Amongst those, lighting market demand grows fast in Vietnam in Southeast Asia and India.

Source:

https://www.ledinside.com/intelligence/2017/11/ledinside_smart_lighting_niche_lighting_and_lighting_in_emerging_countries_are_top_three_driving_forces_for_global_led_lighting

INDIAN POWER SECTOR**Introduction**

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner.

India has moved up 73 spots to rank 26th in the World Bank's list of electricity accessibility in 2017, according to Mr Piyush Goyal, Minister of State (Independent Charge) for Power, Coal, Renewable Energy and Mines, Government of India.

In September 2017, the Government of India launched the Saubhagya scheme to provide electricity connections to over 40 million families in rural and urban areas by December 2018 at a cost of US\$ 2.5 billion.

Market Size

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

Total installed capacity of power stations in India stood at 334,146.91 Megawatt (MW) as on February, 2018. The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy.

The Indian solar industry has installed a total of 2,247 megawatts (MW) in the third quarter of 2017, from 1,947 MW in the second quarter of 2017. The cumulative installed capacity reached 7,149 MW

in the first nine months of 2017, covering more than one-third of total new power capacity addition in 2017.

Two under-construction hydro projects of NHPC in Himachal Pradesh and Jammu & Kashmir (J&K), expected to be commissioned in 2018, will produce 4,458.69 million units of additional power, according to the Ministry of Power, Government of India.

The total estimated potential of tidal energy in India is about 8,000 megawatt (MW), of which 7,000 MW is in the Gulf of Khambhat, 1,200 MW is in the Gulf of Kutch and 100 MW in the Gangetic Delta. The number of small hydro power projects set up in India stood at 1,085 with total installed capacity of 4,399.355 megawatt (MW) as of November 30, 2017.

Investment Scenario

Around 293 global and domestic companies have committed to generate 266 GW of solar, wind, mini-hydel and biomass-based power in India over the next 5–10 years. The initiative would entail an investment of about US\$ 310–350 billion.

Between April 2000 and September 2017, the industry attracted US\$ 12.3 billion in Foreign Direct Investment (FDI), accounting for 3.44 per cent of total FDI inflows in India. Some major investments and developments in the Indian power sector are as follows:

- Energy Efficiency Services Ltd (EESL) has raised US\$ 454 million from Global Environment Facility (GEF) for its energy-efficiency projects in an attempt to boost India's move towards becoming a low carbon economy.
- IL&FS Financial Services Ltd has partnered with Jammu and Kashmir (J&K) Bank Ltd to finance nine hydropower projects in J&K with a total capacity of 2,000 MW, which require financing of around Rs 20,000 crore (US\$ 3.12 billion).
- Sterlite Power has won one of the largest 1,800 km power transmission projects worth US\$ 800 million in Brazil, the company's third project in Brazil and the largest ever project won by an Indian company in Latin America.
- With the aim of giving a boost to renewable energy, the State Bank of India (SBI) and the World Bank have decided to sanction credit worth Rs 2,317 crore (US\$ 356.82 million) to seven corporates towards solar rooftop projects to generate a total of 575 megawatt (MW) of solar energy.
- India added 467 MW of grid interactive wind power capacity between January–November 2017, while wind power projects with cumulative capacity of 9,500 MW are expected to be bid out by March 2018, according to Mr R K Singh, Minister of State (Independent Charge) for Power and New & Renewable Energy, Government of India.
- A total of 26.3 million households which are below poverty line (BPL) have been electrified under the Rural Electrification component of DeenDayal Upadhyay Gram Jyoti Yojana (DDUGJY), according to the Ministry of Power, Government of India.
- In April 2018 ReNew Power made the largest M&A deal by acquiring Ostro Energy for US\$ 1,668.21 million.

The Road Ahead

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government

of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 192 GW is expected to reach 330-441 GW by 2040.

The 2026 forecast for India's non-hydro renewable energy capacity has been increased to 155 GW from 130 GW on the back of more than expected solar installation rates and successful wind energy auctions#.

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

India's installed solar power capacity reached 14,771.69 as of September 2017.

The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. A total of 16,064 villages out of 18,452 un-electrified villages in India have been electrified up to December 2017 as part of the target to electrify all villages by May 1, 2018.

The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

(Exchange Rate Used: INR 1 = US\$ 0.015 as on January 04, 2018)

Source: <https://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzc5NDImOTew>

HISTORY OF LED LIGHTS

Electroluminescence as a phenomenon was discovered in 1907 by the British experimenter H. J. Round of Marconi Labs, using a crystal of silicon carbide and a cat's-whisker detector. Russian inventor Oleg Losev reported creation of the first LED in 1927. His research was distributed in Soviet, German and British scientific journals, but no practical use was made of the discovery for several decades. In 1936, Georges Destriau observed Electroluminescence could be produced when zinc sulphide (ZnS) powder is suspended in an insulator and an alternating electrical field is applied to it. In his publications, Destriau often referred to luminescence as Losev-Light. Destriau worked in the laboratories of Madame Marie Curie, also an early pioneer in the field of luminescence with research on radium. Kurt Lehovec, Carl Accardo, and Edward Jamgochian explained these first light-emitting diodes in 1951 using an apparatus employing SiC crystals with a current source of battery or pulse generator and with a comparison to a variant, pure, crystal in 1953. Rubin Braunstein of the Radio Corporation of America reported on infrared emission from gallium arsenide (GaAs) and other semiconductor alloys in 1955. Braunstein observed infrared emission generated by simple diode structures using gallium antimonide (GaSb), GaAs, indium phosphide (InP), and silicon-germanium (SiGe) alloys at room temperature and at 77 Kelvin.

In 1957, Braunstein further demonstrated that the rudimentary devices could be used for non-radio communication across a short distance. As noted by Kroemer Braunstein "...had set up a simple optical communications link: Music emerging from a record player was used via suitable electronics to modulate the forward current of a GaAs diode. The emitted light was detected by a PbS diode some distance away. This signal was fed into an audio amplifier and played back by a loudspeaker. Intercepting the beam stopped the music. We had a great deal of fun playing with this setup." This setup presaged the use of LEDs for optical communication applications. In September 1961, while working at Texas Instruments in Dallas, Texas, James R. Biard and Gary Pittman discovered near-infrared (900 nm) light emission from a tunnel diode they had constructed on a GaAs substrate. By October 1961, they had demonstrated efficient light emission and signal coupling between a GaAs p-n junction light emitter and an electrically-isolated semiconductor photodetector. On August 8, 1962, Biard and Pittman filed a patent titled "Semiconductor Radiant Diode" based on their findings, which described a zinc diffused p-n junction LED with a spaced cathode contact to allow for efficient emission of infrared light under forward bias. After establishing the priority of their work based on engineering notebooks predating submissions from G.E. Labs, RCA Research Labs, IBM Research Labs, Bell Labs, and Lincoln Lab at MIT, the U.S. patent office issued the two inventors the patent for the GaAs infrared (IR) light-emitting diode (U.S. Patent US3293513), the first practical LED. Immediately after filing the patent, Texas Instruments (TI) began a project to manufacture infrared diodes. In October 1962, TI announced the first commercial LED product (the SNX-100), which employed a pure GaAs crystal to emit a 890 nm light output. In October 1963, TI announced the first commercial hemispherical LED, the SNX-110.

The first visible-spectrum (red) LED was developed in 1962 by Nick Holonyak, Jr. while working at General Electric. Holonyak first reported his LED in the journal Applied Physics Letters on December 1, 1962. M. George Craford, a former graduate student of Holonyak, invented the first yellow LED and improved the brightness of red and red-orange LEDs by a factor of ten in 1972. In 1976, T. P. Pearsall created the first high-brightness, high-efficiency LEDs for optical fiber telecommunications by inventing new semiconductor materials specifically adapted to optical fiber transmission wavelengths.

Initial commercial development

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

Most LEDs were made in the very common 5 mm T1¾ and 3 mm T1 packages, but with rising power output, it has grown increasingly necessary to shed excess heat to maintain reliability, so more complex packages have been adapted for efficient heat dissipation. Packages for state-of-the-art high-power LEDs bear little resemblance to early LEDs.

Source: https://en.wikipedia.org/wiki/Light-emitting_diode#History

BENEFITS OF LED LIGHTS

Benefit 1: Long Lifetime

LED bulbs have an operational lifetime expectation of up to 11 years of continuous operation, or 22 years at 50% operation. If you leave a LED fixture on for 8 hours per day it would take around 20 years before you'd have to replace the LED bulb. Lighting diodes emit lower output levels over a very long period of time and become less bright, while LEDs maintain their original brightness throughout their lifespan.

Benefit 2: Efficiency

LEDs use less power, with an estimated energy efficiency of 80%-90% when compared to traditional lighting and conventional light bulbs. Because of the long lifespan of LED lights, the maintenance work is significantly less, meaning you'll see big energy savings.

Benefit 3: Eco-Friendly

LED lights contain no toxic materials and are 100% recyclable; they'll help you reduce your carbon footprint. One LED light bulb can save material and production of 25 incandescent light bulbs.

Benefit 4: Durability

Because LEDs are not made of glass and are hollow inside, they are much more durable and able to withstand harsh conditions. This makes LEDs perfect for outdoor lighting systems where they may be exposed to extreme weather conditions. They even work for freezer rooms and iceboxes.

Benefit 5: No Heat

Unlike incandescent and fluorescent bulbs, LEDs are easy to the touch even after they are on for hours so they carry less risk of causing an accidental fire or burn.

Benefit 6: No Emissions

LED illumination produces little infrared light and close to no UV emissions. Because of this, LED lighting is highly suitable not only for goods and materials that are sensitive to heat, but also for illumination of UV-sensitive objects or materials from artwork in museums to plastics in a kitchen.

Benefit 7: "Dimmability"

LEDs can be dimmed, resulting in a dynamic control of light, color, flexibility, and distribution. Well-designed LED illumination systems can achieve fantastic lighting effects, not only for the eye but also for the mood. LED mood illumination is already being used in airplanes, classrooms and many more locations.

Benefit 8: Light Disbursement

LED is designed to focus its light and can be directed to a specific location without the use of an external reflector, achieving higher application efficiency than conventional lighting. Well-designed LED illumination systems are able to deliver light more efficiently to the desired location.

Benefit 9: Instant Lighting

LEDs provide instant light and illumination; they brighten up when powered on, which has great advantages for infrastructure projects such as traffic and signal lights. In contrast, fluorescent lights don't provide optimum illumination levels until they run for a few minutes.

Benefit 10: Frequent Switching

LED lights can switch off and on frequently and without affecting the LED's lifetime or light emission, unlike traditional lighting that may take several seconds to reach full brightness. Also, frequent on/off switching of traditional bulbs drastically reduces operational life expectancy.

Benefit 11: Low-Voltage

A low-voltage power supply is sufficient for LED illumination, making it easy to use LED lighting in outdoor settings by connecting an external solar-energy source. This is a major advantage to using LED technology in remote or rural areas.

Benefit 12: Long-Term Cost

LEDs are still more expensive than fluorescent and compact fluorescent lights, their price continues to drop, which provides huge long-term savings. While incandescent lights last for 800 to 1500 hours, and fluorescent lights last up to 10,000 hours, LEDs can last up to a whopping 60,000 hours. Fewer replacements mean substantial savings.

Benefit 13: Short-Term Cost

LED price have dropped significantly. If you used a bulb for just 2 hours a day and paid the national average of \$0.115 per kilowatt-hour, a single 12-watt LED will cost you about \$1.00/year. Comparable CFLs that consume about 14 watts come to \$1.17/year and about \$5.00/year for 60-watt incandescent in that scenario.

Benefit 14: Noise

Fluorescent tubes are notoriously noisy, especially if they have been used for an extended amount of time, which can be distracting. They tend to give off clicking sounds intermittently, but most annoyingly, they can produce a low buzzing sound. LEDs do not have this problem and operate silently with no annoying flickering noises.

Benefit 15: Color

Fluorescent lights are infamous for their color profile, as most produce only a cold blue/white light, which is stark and unwelcoming. LEDs instead provide a range of different colours for different purposes and needs, adaptable for almost any environment or lighting situation.

Source: <https://www.greateasternenergy.com/energyblog/15-benefits-led-lighting/>

PRESS RELEASE

**Press Information Bureau
Government of India
Ministry of Power**

27-August-2015 19:05 IST

Government of India will replace all street lights of the country with LED bulbs in next 24 months

Government of India will replace all street lights of the country with LED bulbs in next 24 months. This is in line with the Ministry's motto of providing energy efficiency and dependable energy in the country. Under Domestic Efficient Lighting Programme efforts are being made to replace all domestic bulbs into LED said Shri. Piyush Goyal, the Union Minister of State (IC) for Power, Coal and Renewable Energy. Addressing the first Foundation Day Celebrations of the Association of Renewable Energy Agencies of the States (AREAS) in Bengaluru today Shri. Piyush Goyal said that Karnataka should join hands with the Central government in its energy efficiency programmes. Solar Roof Top programme introduced by Government of Karnataka is a learning programme for other states the Minister said. The central government expects Karnataka to be in top five in the implementation of new and renewable energy programmes the minister added. India has the target of producing 1,75,000 MW and Renewable energy in next five years. The government also launched Solar Mission to generate 1 lakh MW solar power in the country. Similarly, wind mission targeted at 75,000 MW power generations. The government has taken this programme as nation's mission. 125 crore people of India should work as 'Team India' in making this programme as a reality the minister said. The minister assured that the Central government will extend all possible help to Karnataka in its ongoing new and renewable energy projects the minister added. Addressing the meet State Energy Minister Shri. D. K Shivkumar said that Karnataka has huge potential for hydro projects but water conflicts between states are hindering the developments of these projects. The minister said that the central government should interfere in this issue and help getting clearance for hydro projects for the growth of New and Renewable energy sector. The Union Minister Sri Piyush Goyal presented awards for representatives from 21 states for showing excellence in New and Renewable Energy sector.

Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=126392>

PEST Analysis of LED lighting in India

The PEST analysis is useful to spot business opportunities, direction of business environment changes and entry into new market, by developing an objective view of scenario. The changes in the macro environment can create lot of opportunities as well as threats for any organization/product. New technologies, government policies, funding options, consumer trends etc.; they all affect the market.

1. Political Factors: PM launches scheme for LED bulb distribution in Delhi'- on 5th January 2015, Indian Prime Minister, Sri NarendraModi launched a 'Prakash Path' scheme for LED bulb distribution under the domestic efficient lighting programme in Delhi; and a national programme for LED-based home and street Lighting. This shows commitment of the Indian government at the highest level.
- Bureau of Energy Efficiency (BEE) India has taken policy initiatives to promote energy efficient lighting. One such example is launching of a nationwide village campaign, in which a demonstration

village will be converted from existing incandescent bulbs and street lights to LED lights. This is to showcase the energy savings potential for replication of such projects in other areas. BEE has also prepared Indian standards on LEDs to ensure quality of the products.

- Frost & Sullivan hosted 4th annual executive congress on LED lighting titled ‘leading India’s green energy revolution in Delhi. This interactive event brought together industry stakeholders, thought leaders and decision makers to understand relevant issues, patterns of LED industry and help devise collaborative solutions.
 - Indian power ministry released an official statement that BEE and Energy Efficiency Services Limited (EESL) will be working collaboratively with electricity distribution companies (DISCOMs) to supply LED lights at subsidized rates to households. In Andhra Pradesh state, EESL procured two million LEDs under memorandum of understanding with the state, to provide them to 3.7 million households at a subsidized cost of INR 10. In Puducherry state, EESL undertook several projects to install LED street lights and 750,000 LED bulb replacements for households.
 - There are many Energy Service Companies (ESCO) now operating in India. The ESCO business model is a delivery mechanism to promote energy savings potential. ESCO does the assessment of energy savings potential and the risks, and provides upfront capital to fund the project. The payments to ESCO are done based on the achieved energy savings. BEE has empanelled over thirty ESCOs through an accreditation process carried out by CRISIL and ICRA. This procedure gives grading to the ESCO for their technical and financial capability (CRISIL, ICRA, 2008). Indian government has also setup EESL, to work as ESCO as well as resource centre for energy savings projects in India, including lighting.
 - For promoting LED manufacturing facilities in India, the government has reduced import duties and state governments have reduced value added tax (VAT). The Indian government is encouraged in LED direction after successful implementation of the Bachat Lamp Yojana (BLY) for CFL started in the year 2009. Under the BLY scheme, 192 million households were targeted to replace incandescent lamps with energy saving CFL in 400 million light connection points. With an electricity saving potential of 20,000 MW (by 2011), BLY is the largest CO2 reduction ‘programme of activity’ registered till date with CDM (Clean Development Mechanism)
2. Economic Factors: In India, there are around 2 billion lamp sockets in domestic households; out of which, compact florescent tube (CFL) are 500 million. If additional 500 million CFL are put, 1500 MW energy can be saved. It is estimated if all the conventional street lights are replaced by LED lights, there is a potential to save 4,300 million KWh energy. Further, twilight controls, dimming, voltage optimization of LED lights could save additional 15-20% of energy. Therefore, there is a potential of Rs. 2,500 crore energy savings (@ Rs. 5 per KWh) in public lighting alone in India.
 3. Social Factors: A well illuminated retail outlet encourages people entry, increases ambience, uplifts mood, and plays a pivotal role in generating higher sales. New lighting trends are emerging with LED technology and their usage keeps running and maintenance cost low. Oppl lighting, a Rs. 30 billion Chinese lighting company, having presence in 50 countries, employing 6,000 people, have entered into Indian market in the year 2014. Targeting to achieve the leading position in the Indian market, Indian customers are open to new technology, looking for energy efficient solutions, and hassle-free

value for money products. The consumers are becoming aware that the LED lighting saves energy as compared to traditional lights, therefore, the market size is increasing at a growing rate.

4. Technological Factors: This factor is clearly in favour of LED lighting. The biggest proof is that the Nobel Prize in physics for the year 2014 was awarded for the invention of efficient blue light-emitting diodes which has enabled bright and energy-saving white light sources. This is especially in view of Indian government's plan to develop 100 smart cities across the country.

Source: [https://www.google.co.in/search?rlz=1C1CHBD_enIN805IN805&q=2.+Economic+Factors:+I+n+India,+there+are+around+2+billion+lamp+sockets+in+domestic+households;+out+of+which,+com pact+fluorescent+tube+\(CFL\)+are+500+million.+If+additional+500+million+CFL+are+put,+1500+ MW+energy+can+be+saved.+It+is+estimated+if+all+the+conventional+street+lights+are+replaced+ by+LED+lights,+there+is+a+potential+to+save+4,300+million+KWh+energy.+Further,+twilight+co ntrols,+dimming,+voltage+optimization+of+LED+lights+could+save+additional+15- 20%+of+energy.+Therefore,+there+is+a+potential+of+Rs.+2,500+crore+energy+savings+\(@+Rs. +5+per+KWh\)+in+public+lighting+alone+in+India.&spell=1&sa=X&ved=0ahUKEwiPlfTF_bTdAh WCwLwKHbhLD6oQBQgjKAA&biw=1536&bih=759#](https://www.google.co.in/search?rlz=1C1CHBD_enIN805IN805&q=2.+Economic+Factors:+I+n+India,+there+are+around+2+billion+lamp+sockets+in+domestic+households;+out+of+which,+com pact+fluorescent+tube+(CFL)+are+500+million.+If+additional+500+million+CFL+are+put,+1500+ MW+energy+can+be+saved.+It+is+estimated+if+all+the+conventional+street+lights+are+replaced+ by+LED+lights,+there+is+a+potential+to+save+4,300+million+KWh+energy.+Further,+twilight+co ntrols,+dimming,+voltage+optimization+of+LED+lights+could+save+additional+15- 20%+of+energy.+Therefore,+there+is+a+potential+of+Rs.+2,500+crore+energy+savings+(@+Rs. +5+per+KWh)+in+public+lighting+alone+in+India.&spell=1&sa=X&ved=0ahUKEwiPlfTF_bTdAh WCwLwKHbhLD6oQBQgjKAA&biw=1536&bih=759#)

SUMMARY OF BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and the chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 20, 251 and 285 respectively of this Draft Red Herring Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Red Herring Prospectus, all references to “we”, “us”, “our” and “our Company” are to Artemis Electricals Limited as the case may be.

OVERVIEW

Our company was originally incorporated as “Artemis Electricals Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated October 26, 2009 bearing Corporate Identity Number U51505MH2009PTC196683 issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a Shareholder’s resolution passed on July 25, 2015 the name of our Company was changed to “Artemis Electricals Limited” by issue of a fresh certificate of incorporation by the Registrar of Companies, Mumbai, Maharashtra on August 27, 2015 bearing Corporate Identity Number U51505MH2009PLC196683.

Artemis Electricals Limited is an **ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007** certified Company engaged in the business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. We have obtained a certificate of membership from LACMA (Luminaire, Accessories, Components, Manufacturers Association) vide certificate no: 1017. We manufacture and trade in all sorts of outdoor and indoor LED based lighting solutions such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights, Down lights, Garden lights, pavement / walk through indication lights, etc. Our products are used for illumination and special purposes in a variety of applications for general lighting, in particular architectural, residential, office, industrial, shop, hospitality, and outdoor. Our portfolio includes solutions across the LED luminary spectrum i.e. from the high technology LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our LED drivers are manufactured in a modern facility, mainly using SMD components on an automatic pick-n-place machine. Our company believes in providing high quality products at affordable prices for the mass markets.

Our Company is managed by our promoter Mr. Pravin Kumar Agarwal. He has a decade long experience of working with the Company. Mr. Pravin Kumar Agarwal has been instrumental in the growth of our business. Our corporate promoter is M/s. Yashvikram Infrastructure Private Limited. Artemis with its own manufacturing plant is a preferred partner for Original Equipment Manufacturer “OEM” business clientele for various well-known and established lighting brands in India such as Bajaj Lighting, Crompton Greaves, and Eveready to name a few. We have started developing a distribution network for making “Artemis” as a Brand by providing lighting solutions, available in leading stores all over the country.

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

OUR COMPETITIVE STRENGTHS



1. Experienced management & work force

Our Company is managed by a team of experienced and professional personnel with experience in different aspects of LED industry. They have an in-depth knowledge of the production, marketing and finance. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Our Promoters have more than Eight years of experience in LED industry. The faith of the management in the staff and their dedicated performance has enabled us to build us a niche player. We believe that the experience of our senior management team has resulted into improved product quality and increased profitability which give us a competitive edge.

2. Availability of comprehensive value chain in-house

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

3. Established Manufacturing Facility

Our existing manufacturing facility is located at Vasai, on the outskirts of Mumbai. Our manufacturing facilities are spread over 15,000 Square feet. Our biggest competitive strength is that we have in-house facility to manufacture most of the components used in manufacturing LED luminaries and the final finished product. From a design on paper to the final product, the entire

process is done under one roof. This gives us greater flexibility in designing innovative products and achieving utmost efficiency in manufacturing, as the dependence on 3rd party for supplies is minimal. Having such a setup not only gives us better control over quality but also benefits us with cost advantages compared to our competitors.

4. Focus on Quality and Innovation

We believe that quality and innovation are essential in the growth of business. Our Management constantly strive to maintain and improve the quality of our products. Our focus on quality and innovation helps us to compete against our peers in the LED manufacturing industry. We are trying to create a shift from fossil fuel consuming source of energy to clean and green sources such as solar energy. We are trying to help every household to move from using conventional lighting to LED based lighting so that the energy consumption is at its minimal. We are offering our solar energy-based lighting solutions to cope up with the power shortages. All of our products are priced in way that they fall within reach of all consumers regardless of the income group.

5. Cost Leadership and time bound execution

Our Company promotes cost leadership and timely execution of client's orders. The timely fulfilment of the orders is a prerequisite in our industry and the cost leadership entails cost efficient manufacturing processes. Our management has carried out various steps for the purpose which involves identification of quality raw materials, harmonious relations with workforce and the use of latest and highly efficient manufacturing facilities which enhanced our ability to meet large and varied orders on a timely basis. Our Company has also sustained good relations with our vendors and consequently, we enjoy the benefit of timely supply of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of client's orders. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for manufacturing so as to ensure cost efficiency in procurement which in turn results in cost effective manufacturing.

6. Existing relationship with the clients

We focus on building long term client relationship and constantly try to cater customer needs with products in demand. Since we are mainly engaged in B2B business model, our existing clients provide us mandate for continuous services. We trust that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

7. Cordial relationship between management and labour

It has been over 30 years and our management has successfully maintained harmonious relations with our workforce. Our management has been able to match the goals and objectives of the company with the goals and expectations of the workforce. There has been no union of our employees. Further, we have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

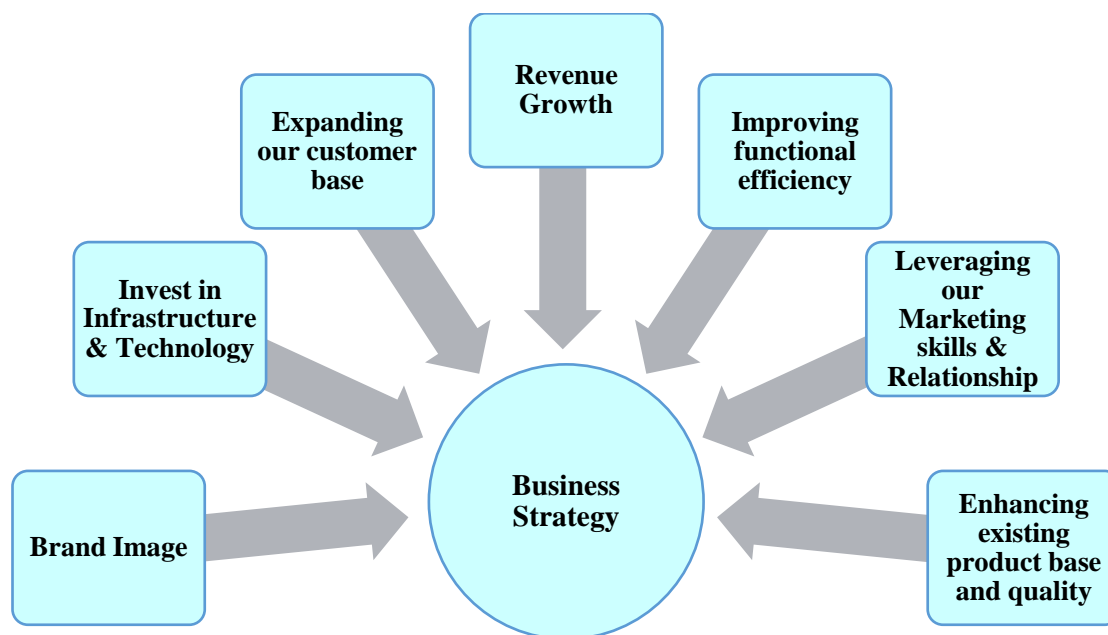
8. Government Contracts

Our company has been awarded a contract worth Rs. 149.15 Lakhs from KEONICS (Karnataka State Electronics Development Corporation Limited) for the manufacture and supply of 10,000 LED street lights. Completing a few successful government contracts will catapult “Artemis” as a promising brand and give us an edge over our competitors.

OUR STRATEGIES

Our vision is to raise our market share in the existing markets and to penetrate new markets by providing high quality products. We intend to capitalize on the enhanced demand for our products in

India and abroad. Our focus is on utilizing our core strengths for expanding our operations in existing as well as new markets. A brief description of the business strategies employed by us is as under:



1. Brand image

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long – term relationships with our clients. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over the products of our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent products as per the client's requirements.

2. Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in our products to cater to the diverse specifications of our clients. We have invested significantly in upgrading our manufacturing facilities with the latest and specialized infrastructure and modern technology. We seek to continue to work towards the upgradation and modernization of our infrastructure and technology in future as well for sustaining our growth in the subsequent periods as well.

3. Expanding our customer base

Our company has a limited portfolio of clients as on date and around 95.87 % of our total revenue is contributed by top ten clients only as at March 31, 2018. Currently the company has a customer base in domestic as well as international markets and it will seek to expand its business operations further in both domestic and overseas markets through efficient marketing and supply of quality products.

4. Revenue Growth

Majority of our clients are large traders and with our existing installed capacity we are able to supply them with upto one fourth of their total requirement. With our expansion plans and increased capacity in the future we will be able to supply more to our existing clients.

5. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a

competitive edge over the peers. We believe that this can be done through continuous process improvement and technology development. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

6. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organization. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions on both domestic and international levels, etc.

7. Enhancing existing products base and product quality

We believe high quality products with global standards are of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. We train our employees to consistently design and deliver client focused solutions. We will continue to focus on creating innovative designs through R&D effort.

OUR PRODUCTS

Our Company is currently providing variety of products which include LED Street Lights, Solar LED Street Lights, LED Down Lights, LED Panel Lights, LED Surface Down Lights, Pendant Down lights, LED Spot Lights, LED Batten Lights, LED Architectural Lights, LED Focus Lights, LED Bulbs, with four production lines which enable us to manufacture 50,000 products per month. We also have a very flexible and well-organized production facility which allows us to assemble up to 10 different products per day. In addition, we offer electronic components such as LED Drivers and electronic ballasts. We also offer innovative, integrated and customized lighting solutions for large projects including light management systems, and offer value added services such as light design and engineering as well as maintenance services.

Our Solar Products

Solar energy is radiant light and heat from the Sun that is harnessed to create a clean form of energy. Electricity can be produced directly from photovoltaic, PV, cells. (Photovoltaic literally means “light” and “electric.”). Unlike conventional energy, electricity produced from solar energy does not give out any harmful emissions that harm the environment. We believe that solar products are the future as they will reduce the Carbon footprint by more than half compared to billions of conventional light bulbs. Our company is continuously working towards catering new areas of lighting coupled with solar energy. We already manufacture and trade in Solar Charge Controllers, Solar powered LED Batten Lights, Solar powered LED Down Lights, Solar powered LED Street Lights, Solar powered LED Bulbs, Solar powered Fans, Solar powered LED Lanterns, etc.

RAW MATERIALS

Components	Description	Major Suppliers
MCPCB	MCPCBs are most widely found in LED technologies, as they reduce the number of LEDs required to produce a specific illumination. Applications: Back light unit	Pacific Circuits India Pvt. Ltd. Bajaj Electricals Ltd.

Components	Description	Major Suppliers
	applications, Street safety applications (streetlights, lighting, etc.), General lighting applications, System automotive LED applications, Hybrid/electric motor control applications, Photovoltaic.	
Drivers/ Streetlights	A driver is an electrical circuit or other electronic component used to control another circuit or component, such as a high-power transistor, liquid crystal display (LCD), and numerous others. They are usually used to regulate current flowing through a circuit or to control other factors such as other components, some devices in the circuit. The term is often used, for example, for a specialized integrated circuit that controls high-power switches in switched-mode power converters	1) Bhagyashree Industries 2) Mavaiya Enterprises Pvt. Ltd. 3) BDMV International Trading Pvt. Ltd. 4) Sapna Enterprises
Aluminum Alloy	The aluminum is used in the preparation of dies which are further used in casting of the LED Lights.	1) Jaisingh Alloys Pvt. Ltd. 2) Shakti Alloys 3) S.R Metals
LED/LENS	The lighting emitting diode is a p-n junction diode. It is a specially doped diode and made up of a special type of semiconductors. When the light emits in the forward biased, then it is called as a light emitting diode. Applications: Bulb in the homes and industries, Motorcycles & Cars, Mobile Phones, Traffic Signals.	1) Arrow Electronics India Pvt. Ltd. 2) Nichia Chemicals (India) Pvt. Ltd. 3) S.R. Electro
Transformers / Resistors/ Capacitors	Transformers: A transformer is a static electrical device that transfers electrical energy between two or more circuits through electromagnetic induction. Transformers are used to increase or decrease the alternating voltages in electric power applications. Resistors: A resistor is a passive two-terminal electrical component that implements electrical resistance as a circuit element. In electronic circuits, resistors are used to reduce current flow, adjust signal levels, to divide voltages, bias active elements, and terminate transmission lines, among other uses. Capacitors: A capacitor is a passive	1) Prism Electronics 2) Shubhika Technologies Pvt. Ltd.

Components	Description	Major Suppliers
	two-terminal electrical component that stores potential energy in an electric field. The effect of a capacitor is known as capacitance. Capacitors are widely used in electronic circuits for blocking direct current while allowing alternating current to pass.	

MANUFACTURING PROCESS

Step 1: Designing and Sample Preparation:

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

Step 2: Components Procurement:

Once the orders are placed by the clients, Bill of Material list is prepared based on finalized / approved designs. Purchase Department will identify & finalized the suppliers for the procurement of the raw material.

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

Step 3: Placing LED's on MCPCB:

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

Step 4: Manufacturing of PCB:

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

Step 5: Luminaries:

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

Step 6: Quality Check:

Firstly, LED luminaries are undergone internal quality check test for various critical electrical parameters on sample basis. The sample test of LED luminaries includes High voltage test, high temperature & humidity test & Low temperature test in environment chamber & cold chamber in operational condition respectively, shock test, Photometry test for checking optimal parameters, surge test, water proof test & drop test for check packaging. Secondly, external quality checks are done on the same line of internal quality checks by representative of clients.

Step 7: Packing:

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

SUMMARY OF FINANCIAL STATEMENTS

Annexure I - Restated Statement of Assets and Liabilities of Artemis Electricals Limited

(Rs. in lakhs)

Particulars	Notes / Annexures	As at				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Equity and Liabilities						
Shareholders' Funds						
Share Capital	Annexure V, Note 1	443.70	443.70	443.70	238.91	238.91
Reserve & Surplus	Annexure V, Note 2	1,365.85	409.64	228.87	7.08	(25.33)
Non-Current Liabilities						
Long Term Borrowings	Annexure V, Note 3	1,076.28	42.22	34.93	128.00	136.92
Deferred Tax Liabilities (Net)	Annexure V, Note 4	15.56	2.26	0.59	2.54	(1.02)
Current Liabilities						
Short Term Borrowings	Annexure V, Note 5	151.28	-	-	-	-
Trade Payables	Annexure V, Note 6	2,002.51	797.20	114.61	98.89	87.33
Other Current Liabilities	Annexure V, Note 7	1,066.58	112.34	499.42	19.49	27.55
Short Term Provisions	Annexure V, Note 8	610.83	161.71	56.75	17.00	12.52
Total		6,732.59	1,969.07	1,378.88	511.92	476.88
Assets						
Fixed Assets:						
Tangible Assets	Annexure V, Note 9	1,631.38	133.15	118.99	118.24	112.71
Intangible Assets	Annexure V, Note 9	-	-	-	-	-
Non Current Investments	Annexure V, Note 10	141.00	141.00	141.00	-	-
Long Term Loans & Advances	Annexure V, Note 11	141.77	209.79	160.94	4.86	6.58
Current Assets						
Inventories	Annexure V, Note 12	1,921.22	427.10	289.77	82.63	119.55
Trade Receivables	Annexure V, Note 13	2,501.90	1,003.70	629.89	202.54	197.42
Cash and Bank Balances	Annexure V, Note 14	2.55	4.74	7.70	81.89	17.38
Other Current Assets	Annexure V, Note 15	392.77	49.59	30.60	21.75	23.23
Total		6,732.59	1,969.07	1,378.88	511.92	476.88
The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.						

Annexure II - Restated Statement of Profit and Loss of Artemis Electricals Limited**(Rs. in lakhs)**

Particulars	Notes / Annexures	For the year ended				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Income						
Revenue from Operations	Annexure V, Note 16	8,947.63	4,723.87	4,531.21	890.95	661.44
Other Income	Annexure V, Note 17	3.68	-	2.66	3.11	1.77
Total		8,951.31	4,723.87	4,533.87	894.06	663.20
Expenditure						
Cost of Material Consumed	Annexure V, Note 18	7,403.49	4,019.49	4,065.56	560.93	426.39
Cost of Stores and Consumables Consumed	Annexure V, Note 19	8.40	5.78	13.19	5.29	5.74
Changes in Inventories of Finished Goods	Annexure V, Note 20	(510.78)	107.72	(151.06)	24.05	5.89
Employee Benefit Expenses	Annexure V, Note 21	143.17	111.06	94.45	98.83	89.43
Finance Costs	Annexure V, Note 22	36.91	0.61	20.76	0.49	1.35
Depreciation and Amortisation Expense	Annexure V, Note 23	51.83	23.54	16.89	15.23	14.74
Other Expenses	Annexure V, Note 24	400.30	165.88	263.69	144.26	100.01
Total		7,533.31	4,434.09	4,323.48	849.07	643.56
Profit before Tax and exceptional items		1,417.99	289.78	210.38	44.99	19.64
Exceptional Items		-	-	-	-	0.40
Net Profit before Tax		1,417.99	289.78	210.38	44.99	19.24
Less: Provision for Taxes						
Current Tax		448.48	107.33	68.00	9.01	3.93
MAT Credit Entitlement		-	-	(12.24)	-	-
Deferred Tax		13.30	1.67	(1.95)	3.56	(0.26)
Net Profit After Tax & Before Extraordinary Items		956.21	180.78	156.57	32.42	15.57
Extra Ordinary Items		-	-	-	-	-
Net Profit after Tax		956.21	180.78	156.57	32.42	15.57

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

Annexure III - Restated Statement of Cash Flow of Artemis Electricals Limited

(Rs. in lakhs)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before taxes	1,417.99	289.78	210.38	44.99	19.24
Adjustment for:					
Add: Depreciation	51.83	23.53	16.89	15.23	14.74
Add: Interest & Finance Charges	36.91	0.61	20.76	0.49	1.35
Less: Interest Income	(1.30)	-	-	-	-
Operating Profit before Working capital changes	1,505.43	313.92	248.03	60.71	35.33
Adjustments for:					
Decrease (Increase) in Trade & Other Receivables	(1,498.20)	(373.81)	(427.34)	(5.12)	(13.86)
Decrease (Increase) in Short Term Loans & Advances	(343.18)	(18.99)	-	-	-
Decrease (Increase) in Inventories of Finished Goods, Stock-in-Trade & Scrap	(1,494.12)	(137.33)	(207.14)	36.92	(4.05)
Decrease (Increase) in Other Current Assets (Excluding Advance Tax and TDS)	-	-	(13.08)	1.48	(7.93)
Increase (Decrease) in Trade Payables	1,205.31	696.61	15.72	11.56	27.51
Increase (Decrease) in Other Current Liabilities	954.24	(399.37)	485.18	1.45	12.80
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	10.32	0.77	(5.83)	0.05	(22.13)
Net Changes in Working Capital	(1,165.62)	(232.12)	(152.49)	46.34	(7.66)
Cash Generated from Operations	339.81	81.80	95.54	107.05	27.67
Less: Taxes	(9.68)	(4.89)	(15.39)	(2.93)	(2.01)
Net Cash Flow from Operating Activities (A)	330.13	76.91	80.15	104.12	25.66
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Fixed Assets	(1,550.07)	(37.69)	(17.64)	(20.76)	(16.43)
Interest Income	1.30	-	-	-	-
Decrease (Increase) in Investments	-	-	(141.00)	-	-
Decrease (Increase) in Long Term Loans & Advances	68.02	(48.85)	-	-	-
Net Cash Flow from Investing Activities (B)	(1,480.75)	(86.54)	(158.64)	(20.76)	(16.43)

CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	270.00	-	100.00
Interest & Finance Charges	(36.91)	(0.61)	(20.76)	(0.49)	(1.35)
Increase / (Repayment) of Long Term Borrowings	1,185.33	7.29	(93.07)	(8.92)	(93.06)
Increase / (Repayment) of Short Term Borrowings	-	-	(0.04)	(11.16)	1.57
Decrease (Increase) in Long Term Loans & Advances	-	-	(151.84)	1.72	(5.69)
Dividend and Dividend Distribution Tax	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	1,148.43	6.68	4.29	(18.85)	1.47
Net Increase / (Decrease) in Cash and Cash Equivalents	(2.19)	(2.95)	(74.20)	64.51	10.70
Cash and cash equivalents at the beginning of the year / Period	4.74	7.69	81.89	17.38	6.68
Cash and cash equivalents at the end of the year/ Period	2.55	4.74	7.69	81.89	17.38

Notes:

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 “*Cash Flow Statements*”.

The above statement should be read with the basis of preparation and significant accounting policies, appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

THE ISSUE

The following table summarizes the Issue details: -

Particulars	Details of Equity Shares
Issue of Equity shares by Our Company	Upto [●] Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs
Of which:	
Market Maker Reservation Portion	Upto [●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●] /- per Equity Share aggregating Rs. [●] lakhs
Net Issue to the Public	Upto [●] Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs
	Of which:
	Upto [●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors up to Rs. 2,00,000/-
	Upto [●] Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2,00,000/-
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,33,11,045 Equity Shares of face value of Rs. 10/- each
Equity Shares outstanding after the Issue	Upto [●] Equity Shares of face value of Rs. 10/- each
Use of proceeds of the Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 115 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

Notes:

1. The Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

The allocation in the “Net Issue to the Public” category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
 - i. Individual applicants other than retail individual investors; and
 - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

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 any category would be allowed to be met through 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.

For further details please refer to section titled “*Issue Information*” beginning on page 331 of this Draft Red Herring Prospectus.

2. The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on June 26th, 2018 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on August 18th, 2018.

For further details please refer to chapter titled “*Issue Information*” beginning on page 331 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as “Artemis Electricals Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated October 26th, 2009 bearing Corporate Identification Number U51505MH2009PTC196683 issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into Public Limited Company pursuant to Shareholders Resolution passed at the Extra – Ordinary General Meeting of our Company held on July 25th, 2015 and the name of our Company was changed to “Artemis Electricals Limited” and a Fresh Certificate of Incorporation Consequent upon conversion from Private Company to Public Company dated August 27th, 2015 was issued by Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U51505MH2009PLC196683.

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 204 of this Draft Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Artemis Electricals Limited

Artemis Complex, Gala No. 105 & 108,

National Express Highway,

Vasai (East), Thane – 401208

Tel: +91-22-29275032

Fax: +91-22-29275062

Email: contact@artemislighting.com

Website: www.artemislighting.com

Corporate Identification Number: U51505MH2009PLC196683

CORPORATE OFFICE OF OUR COMPANY

Artemis Electricals Limited

Office 201 A, A – Wing , 2nd Floor,

Fortune 2000, G – Block,

Bandra Kurla Complex, Bandra (East),

Mumbai – 400051, Maharashtra

Tel: + 91 – 22 – 29275032

Fax: + 91 – 22 – 29275062

Email: contact@artemislighting.com

Website: www.artemislighting.com

REGISTRAR OF COMPANIES

Registrar of Companies, Maharashtra, Mumbai

Everest, 5th Floor, 100, Marine Drive,

Mumbai – 400 002, Maharashtra

DESIGNATED STOCK EXCHANGE**SME Platform of BSE Limited**

P.J Tower, Dalal Street,
Mumbai, Maharashtra-400 001

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (In Years)	DIN	Address	Designation
1.	Mr. Pravin Kumar Brijendra Kumar Agrawal	47	00845482	1105 Tower A, Raheja Sherwood, Western Express Highway, Goregaon (East) Mumbai 400063 MH	Chairman and Executive Director
2.	Mr. Chandrahas Narayan Shetty	56	08126379	C 512, Sunshine, Raheja Vihar Powai, Mumbai 400072 MH	Whole Time Director
3.	Mr. Ramniranjan Bhutra	35	01459092	401, 4th Floor, G Wing, Evershine Moon CHS Ltd, Evershine Millennium Paradise, Thakur Village Mumbai – 400101 MH	Director
4.	Mr. Krishnakumar Laxman Bangera	67	02082675	B – 13, Jeevan Sathi 18 Juhu Lane, Andheri (West), Mumbai 400058 MH	Independent Director
5.	Ms. Richa Sharma	30	08122719	Flat No. 102, Gunjan – B Wing, Gaurav Garden, Charkop, Kandivali West Mumbai – 400067 MH	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 208 of this Draft Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER**Ms. Alheena Khan****Registered Address:**

28, Sabir Building, Mirza Naim Beg
Ujjain – 456001, Madhya Pradesh, India.

Tel: +91 – 9200202514

Email: alheenakhan@gmail.com

Corporate Address:**Artemis Electricals Limited**

Office 201 A, A – Wing , 2nd Floor,
Fortune 2000, G – Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051, Maharashtra

Tel: + 91 – 22 – 29275032

Fax: + 91 – 22 – 29275062

CHIEF FINANCIAL OFFICER

Mr. Shivkumar Chhangur Singh

Registered Address:

52, Verma Chawl, Shakti Nagar, Link Road
BehramBaug, Near Ambe Mata Mandir, Jogeshwari (W),
Mumbai, Maharashtra – 400102

Tel: +91 – 9619934403

Email: singh151966@gmail.com

Corporate Address:

Artemis Electricals Limited

Office 201 A, A – Wing, 2nd Floor,
Fortune 2000, G – Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051, Maharashtra

Tel: + 91 – 22 – 29275032

Fax: + 91 – 22 – 29275062

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the BRLM, 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, non – receipt of funds by electronic mode or unblocking of ASBA Account, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary to whom the ASBA form was submitted. The Bidders 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 for, 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 acknowledgement 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 BRLM. All complaints, queries or comments received by stock exchange / SEBI shall be forwarded to the BRLM, who shall respond to the same.

STATUTORY AUDITOR

M/s. Mittal Agarwal & Co.

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

Tel: +91 – 22 – 28324532

Fax: +91 – 22 – 28304534

Email: mkmittal1@yahoo.com

Contact Person: Mr. Piyush Agarwal

Firm Registration No: 131025W

Membership No: 135505

PEER REVIEWED AUDITOR

M/s. Mittal Agarwal & Co.

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

Tel: +91 – 22 – 28324532

Fax: +91 – 22 – 28304534

Email: mkmittal1@yahoo.com

Contact Person: Mr. Piyush Agarwal

Firm Registration No: 131025W

Membership No: 135505

M/s. Mittal Agarwal & Co., Chartered Accountants holds a peer reviewed certificate dated April 20th, 2018, issued by the Institute of Chartered Accountants of India, New Delhi.

BOOK RUNNING LEAD MANAGER

Holani Consultants Private Limited

401 – 405 & 416 – 418, 4th Floor, Soni Paris Point
Jai Singh Highway, Banipark Jaipur – 302016

Tel: +91 – 141 – 2203995 / 96

Fax: +91 – 141 – 2201259

Email: ipo@holaniconsultants.co.in

Website: www.holaniconsultants.co.in

Contact Person: Mr. Bharat Mantri

SEBI Registration No: INM000012467

REGISTRAR TO THE ISSUE

Cameo Corporate Services Limited

Subramanian Building,
No. 1 Club House Road,
Chennai – 600002, Tamil Nadu,

Tel: +91 – 44 – 2846 0390/1989

Fax: +91 – 44 – 2846 0129

Website: www.cameoindia.com

Email: cameo@cameoindia.com

Investor Grievance id – cameo@cameoindia.com

Contact Person: Mr. R. D. Ramasamy

SEBI Registration Number: INR000003753

LEGAL ADVISOR TO THE ISSUE

Rajani Associates, Advocates and Solicitors

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

Tel: +91 – 22 – 4096 1000

Fax: +91 – 22 – 4096 1010

E-mail: sangeeta@rajaniassociates.net

Contact Person: Ms. Sangeeta Lakhi
Website: www.rajaniassociates.net

ADVISOR TO THE COMPANY

NNM NextGen Advisory Private Limited

B 6/7, Shri Siddhivinayak Plaza, 2nd Floor,
Plot No. B-31, Oshiwara Opp. Citi Mall,
B/H Maruti Showroom, Andheri Linking Road,
Andheri (W), Mumbai – 400053, Maharashtra

Tel: +91 – 22 – 4079 0011 / 4079 0036

Fax: +91 – 22 – 4079 0033

E-mail: contact@cokaco.com

Contact Person: Mr. Nikunj Anilkumar Mittal

Website: www.cokaco.com

BANKER TO THE COMPANY

The Federal Bank Limited

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

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

E-mail: bbyb@federalbank.co.in

Contact Person: Mr. Kumar Abhishek (AVP and Branch Head)

Website: www.federalbank.co.in

PUBLIC OFFER BANK/ BANKER TO THE ISSUE

ICICI Bank Limited

Capital Market Division, Ist Floor,
122, Mistry Bhawan, Oinshaw Vachha Road,
Backbay Reclamation, Churchgate, Mumbai – 400020

Tel: +91 – 22 – 66818924 / 923 / 932

Fax: +91 – 22 – 22611138

E-mail: shweta.surana@icicibank.com

Contact Person: Ms. Shweta Surana

Website: www.icicibank.com

SEBI Registration No: INBI000000004

REFUND BANKER TO THE ISSUE

ICICI Bank Limited

Capital Market Division, Ist Floor,
122, Mistry Bhawan, Oinshaw Vachha Road,
Backbay Reclamation, Churchgate, Mumbai – 400020

Tel: +91 – 22 – 66818924 / 923 / 932

Fax: +91 – 22 – 22611138

E-mail: shweta.surana@icicibank.com

Contact Person: Ms. Shweta Surana

Website: www.icicibank.com

SEBI Registration No: INBI000000004

SYNDICATE MEMBER

[•]

[•]

Tel: +91 [•]

Fax: +91 [•]

E-mail: [•]

Contact Person: [•]

Website: [•]

SEBI Registration No: [•]

DESIGNATED INTERMEDIARIES

Self – Certified Syndicate Banks

The lists of banks that have been notified by the 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-SCSBs-for-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the ASBA 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 Centers. 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 Centers, the list of branches of the SCSBs at the Broker Centers 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) 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) 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.

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. 50,000 Lakhs. Since the Issue size is only 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.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 as included in this 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 BLRM 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 Marathi Newspaper, Marathi being the regional language of Maharashtra, 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 Book Running Lead Manager (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 Holani Consultants 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 Members(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

The SEBI Regulations have permitted the Issue of Securities to the public through the 100% Book Building Process wherein 50 percent of the Net Issue shall be available for allocation to the Retail Individual Investors/Bidders and the remaining shall be available for QIBs and Non – Institutional Investors. 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 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 proportionate basis. Under – subscription, if any, in any category 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 above QIB Portion will not be allowed to be met with spill – over from categories or a combination of categories.

All bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate 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 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. The allocation in the “Net Issue to the Public” category shall be made as follows:

- d) Minimum fifty percent to retail individual investors; and
- e) Remaining to:
 - iii. Individual applicants other than retail individual investors; and
 - iv. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- f) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

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 342 of this Draft Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for the 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 30 to Rs 36 per Equity Share, Issue size of 10000 Equity Shares and the receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs)	Cumulative Bid Quantity	Subscription
2,000	36	2,000	20.00%
3,000	35	5,000	50.00%
5,000	34	10,000	100.00%
6,000	32	16,000	160.00%
7,000	30	23,000	230.00%

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 34 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. 34/-. 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 Biding:

1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 342 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/OFFER PROGRAMME

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

Event	Indicative 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 the Demat Account of Allottees	[●]
Commencement of trading of 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 upto 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.

DEBENTURE TRUSTEE

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

UNDERWRITER

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total Issue size Underwritten
Holani Consultants Private limited 401 – 405 & 416 – 418, 4th Floor, Soni Paris Point, Jai Singh Highway, Banipark Jaipur - 302016 Tel: +91 – 141 – 2203995 / 96 Fax: +91 – 141 – 2201259 Email: ipo@holaniconsultants.co.in Contact Person: Mr. Ramavtar Holani SEBI Registration Number: INM000012467	Upto [•]*	[•]	[•]
NNM Securities Private Limited Registered office: 1111, P J Towers, 11 th Floor, Dalal Street, Fort, Mumbai – 400001 Corporate office: at NNM House, B-6 & 7, Plot No. 31, Shri Siddhi Vinayak Plaza, 2 nd Floor, C T No. 62, Village Oshiwara, Off Link Road, Andheri (West), Mumbai – 400058 Tel: +91 – 22 – 40790011 / 36 Website: www.cokaco.com Contact Person: Mr. Nikunj Anilkumar Mittal SEBI Registration No.: INB011044634	Upto [•]*	[•]	[•]
Total	[•]	[•]	100%

**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.*

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

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the BRLM have entered into a market making agreement dated [●], with the following Market Maker, duly registered with SME Platform of BSE Limited to fulfill the obligations of Market Making:

NNM Securities Private Limited

Registered office: 1111, P J Towers, 11th Floor,
Dalal Street, Fort, Mumbai – 400001

Corporate office: at NNM House, B-6 & 7, Plot No. 31, Shri Siddhi Vinayak Plaza, 2nd Floor, C T No. 62, Village Oshiwara, Off Link Road, Andheri (West), Mumbai – 400058

Tel: +91 – 22 – 40790011 / 36

Website: www.cokaco.com

Contact Person: Mr. Nikunj Anil kumar Mittal

SEBI Registration No.: INB231044638

Market Maker Registration No.: (BSE SME): INB011044634

NNM Securities Private Limited, registered with SME segment of BSE Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations. The Market Maker shall fulfill 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 market maker spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time and the same shall be updated in the Draft Red Herring Prospectus. 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 Rs. [●] per equity share 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 25% 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, NNM Securities Private Limited is acting as the sole Market Maker. On the first day of the listing, there will be pre – opening session (call auction) and thereafter 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. 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:-
 - a) In case equilibrium price is discovered in the call auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - b) in case equilibrium price is not discovered in the call auction, the price band in the normal trading session shall be 5% of the issue price.
 - c) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME exchange / SME platform of BSE Limited.

Sr. No.	Market Price Slab	Proposed Spread (in % to sale price)
1	Upto Rs.50	9.00%
2	Above Rs. 50 to Rs. 75	8.00%
3	Above Rs. 75 to Rs.100	6.00%
4	Above Rs. 100	5.00%

8. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
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(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the BRLM, who shall then be responsible to appoint a replacement of the 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 BRLM 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 BRLM 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 particular point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

11. 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. 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(s) in case he is not present in the market (offering 2 – 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 27th, 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:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re – Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
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 Lacs except share data)

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

1. Details of changes in Authorized Share Capital:

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

Sr. No.	Date of Change	AGM/EGM	Changes in authorized Capital
1	On Incorporation	--	The authorized capital of our company on incorporation comprised of Rs. 5,00,000/- consisting of 50,000 Equity shares of Rs. 10 each.
2.	January 04th, 2010	EGM	The authorized share capital of Rs. 5,00,000/- consisting of 50,000 Equity Shares of Rs.10/- each was increased to Rs.2,00,00,000/- consisting of 20,00,000 Equity shares of Rs.10/- each.
3	June3rd,2013	EGM	The authorized share capital of Rs.2,00,00,000/- consisting of 20,00,000 Equity Shares of Rs.10/- each was increased to Rs.2,50,00,000/-consisting of 25,00,000 Equity shares of Rs.10/- each.
4	July 25th,2015	EGM	The authorized share capital of Rs.2,50,00,000/- consisting of 25,00,000 Equity shares of Rs.10/- each was increased to Rs.5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each.
5	December 26th,2015	EGM	The authorized share capital of Rs.5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each was increased to Rs.7,00,00,000/- consisting of 70,00,000 Equity shares of Rs.10/- each.
6	May 5th,2018	EGM	The authorized share capital of Rs.7,00,00,000/- consisting of 70,00,000 Equity shares of Rs.10/- each was increased to Rs.22,00,00,000/- consisting of 2,20,00,000 Equity shares of Rs.10/- each.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 26th, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting held on August 18th, 2018

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

NOTES TO THE CAPITAL STRUCTURE

2. History of Share capital of the company:

Equity Share capital:

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

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity shares	Cumulative Paid -up Capital (Rs.)
On Incorporation (October 26,2009)	10,000	10	10	Cash	Subscription to MOA (1)	10,000	1,00,000
March 18,2010	7,70,000	10	10	Cash	Further Allotment (2)	7,80,000	78,00,000
March 31,2010	1,10,000	10	50 (Including Premium of Rs.40/- per share)	Cash	Further Allotment (3)	8,90,000	89,00,000
February 28,2012	4,99,100	10	10	Cash	Further Allotment (4)	13,89,100	1,38,91,000
June 26,2013	10,00,000	10	10	Consideration other than cash	Conversion of Unsecured Loan (5)	23,89,100	2,38,91,000
January 13,2016	3,00,000	10	90 (Including Premium of Rs.80/- per share)	Cash	Further Allotment (6)	26,89,100	2,68,91,000
January 15,2016	17,47,915	10	NA	Other than cash	Bonus Shares	44,37,015	4,43,70,150
June 26,2018	8,874,030	10	NA	Other than cash	Bonus Shares	1,33,11,045	13,31,10,450

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

Sr. No.	Name of Person	No. of shares Allotted
1	Pravin Kumar Agarwal	3333
2	Alok Kumar Agarwal	3334
3.	Sudhir Kumar Agarwal	3333
	Total	10,000

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

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

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

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

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

Sr. No	Name of Person	No. of Shares Allotted
1	Ayesspea Holdings & Investment Limited	4,99,100
	Total	4,99,100

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

Sr. No	Name of Person	No. of Shares Allotted
1	Seashell Venture Private Limited	10,00,000
	Total	10,00,000

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

Sr. No	Name of Person	No. of Shares Allotted
1	Shalini Alok Kumar Agarwal	15000
2	Sudhir Kumar Agarwal	15000

Sr. No	Name of Person	No. of Shares Allotted
3	Jyotsna Pravin Kumar Agarwal	20000
4	Ayesspea Holdings & Investment Private Limited	200000
5	Alok Kumar Agarwal	15000
6	Pravin Kumar Agarwal	20000
7	Priti Sudhir kumar Agarwal	15000
	Total	3,00,000

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

Sr. No	Name of Person	No. of Shares Allotted
1	Shalini AlokKumar Agarwal	40950
2	SudhirKumar Agarwal	40950
3	Jyotsna Pravin Kumar Agarwal	54600
4	Yashvikram Infrastructure Private Limited	565500
5	Ayesspea Holdings & Investments Private limited	840450
6	AlokKumar Agarwal	40950
7	Pravin Kumar Agarwal	54600
8	Priti SudhirKumar Agarwal	40950
9	Chandahas Shetty	31525
10	Vinod Rao	25610
11	BhuddhaDev Kar	5915
12	Pankaj Gupta	5915
	Total	17,47,915

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

Sr. No	Name of Person	No. of Shares Allotted
1	Shalini AlokKumar Agarwal	20
2	SudhirKumar Agarwal	20
3	Jyotsna Pravin Kumar Agarwal	277200
4	Yashvikram Infrastructure Private Limited	2871000
5	Ayesspea Holdings & Investments Private limited	1148458
6	AlokKumar Agarwal	20
7	Pravin Kumar Agarwal	1138750
8	Priti SudhirKumar Agarwal	20
9	Chandahas Narayan Shetty	183990
10	Garuda Aviation Services Pvt. Ltd	2692080
11	BhuddhaDev Kar	30030
12	Ramniranjan Bhutra	443702
13	Shivkumar Chhangur Singh	88740
	Total	8874030

3. Securities issued for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits accrued to our company	Allottees	No. of Shares Allotted
June 26, 2013	10,00,000	10/-	NA	Conversion of Unsecured Loan		Seashell Venture Private Limited	10,00,000

No Equity Shares have been allotted pursuant to any scheme approved under Section 230 – 240 of the Companies Act, 2013.

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

We have not issued any shares at price below issue price within last one year from the date of this Draft Red Herring Prospectus.

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

i) Build-up of Promoters' shareholdings

As on the date of this Draft Red Herring Prospectus, our Promoters Praveen Kumar Agarwal and Yashvikram Infrastructure Pvt Ltd hold 60,14,625 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

a. Praveen Kumar Agarwal

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.) *	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %	Lock-in Period	Pledge
October 26, 2009	3,333	10	10	Subscription to MOA	0.025%	[●]	[●]	No
March 18, 2010	4,667	10	10	Further Issue	0.035%	[●]	[●]	No
May 7, 2012	(8,000)	10	10	Share transferred to Jyotsna Agarwal	(0.060)%	[●]	[●]	No
July 23, 2015	64,000	10	13	Share Transferred from Seashell Ventures Pvt. Ltd	0.481%	[●]	[●]	No

January 13, 2016	20,000	10	90	Preferential Issue	0.150%	[●]	[●]	No
January 15, 2016	54,600	10	NA	Bonus Issue (13:20)	0.410%	[●]	[●]	No
January 16, 2018	430775	10	NA	Share Transferred from Sudhir Agarwal, Shalini Agarwal, Alok Agarwal & Priti Agarwal	3.236%	[●]	[●]	No
June 26, 2018	1138750	10	NA	Bonus Issue (2:1)	8.554%	[●]	[●]	No
Total	1708125				12.831%	[●]		

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

b. Yashvikram Infrastructure Private Limited

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.) *	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	Pledge
March 18, 2010	760000	10	10	Further Issue	5.709%	[●]	[●]	No
May 31, 2010	110000	10	4.48	Share Transfer from Vanchal Trading Pvt. Ltd, Topstar Marketing Pvt. Ltd & Sraboni Sales Pvt. Ltd	0.826%	[●]	[●]	No
January 15, 2016	565500	10	NA	Bonus Issue (13:20)	4.248%	[●]	[●]	No
June 26, 2018	2871000	10	NA	Bonus Issue (2:1)	21.567%	[●]	[●]	No
Total	4306500				32.35%	[●]		

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

ii) Details of Promoters' 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 Promoters' Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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 20% 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 and made fully paid up / Transfer	No. of Shares Allotted / Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
[•]						
[•]	[•]	[•]	[•]	[•]	[•]	3 Years
[•]	[•]	[•]	[•]	[•]	[•]	3 Years
[•]	[•]	[•]	[•]	[•]	[•]	3 Years
Total	[•]	[•]		[•]	[•]	3 Years
[•]						
[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]		[•]	[•]	3 Years

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;

Our Company has not been formed by the conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;

The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;

All the Equity Shares of our Company held by the Promoter are in dematerialized form; and

The Equity Shares offered for Promoters' 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 Promoters' contribution subject to lock-in.

iii) Details of Equity Shares 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 Promoter's Contribution of [●] of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

5. Except below, there is no purchase/sale of shares by the promoters, promoters' group, directors and their immediate relatives during last six months: -

Date of transfer	Name of the Transferee/transferor	Party Category	No. Of Shares Allotted/Transferred	Face value	Transfer Price	Nature of Allotment
June 26, 2018	Yashvikram Infrastructure Private Limited	Promoter	2871000	10	NA	Bonus Issue
June 26, 2018	Pravin Kumar Agarwal	Promoter	1138750	10	NA	Bonus Issue
June 26, 2018	SudhirKumar Agarwal	Promoter Group	20	10	NA	Bonus Issue
June 26, 2018	Jyotsna Pravin Kumar Agarwal	Promoter Group	277200	10	NA	Bonus Issue
June 26, 2018	AlokKumar Agarwal	Promoter Group	20	10	NA	Bonus Issue

June 26, 2018	Chandrabhas Narayan Shetty	Director	183990	10	NA	Bonus Issue
June 26, 2018	Ramniranjan Bhutra	Director	443702	10	NA	Bonus Issue
June 26, 2018	Ayesspea Holdings & Investments Private limited	Promoter Group	1148458	10	NA	Bonus Issue
June 26, 2018	Garuda Aviation Services Pvt. Ltd	Promoter Group	2692080	10	NA	Bonus Issue
June 26, 2018	Shalini Alok Kumar Agarwal	Promoter Group	20	10	NA	Bonus Issue
June 26, 2018	Priti Sudhir Agarwal	Promoter Group	20	10	NA	Bonus Issue

6. Our Shareholding Pattern

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

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

Category	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 SCRR, 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	11	13132890	-	-	13132890	98.66	13132890	98.66	-	98.66	-	-	-	-	13132890
B	Public	2	178155	-	-	178155	1.34	178155	1.34	-	1.34	-	-	-	-	178155
C	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	13	1,33,11,045	-	-	1,33,11,045	100.00	1,33,11,045	100.00	-	100.00	-	-	-	-	1,33,11,045

*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.

Shareholding Pattern of Promoter and Promoter Group

Sr. No	Category of Shareholder	PAN	Nos. 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 SCRR, 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)			
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
1	Indian																
A	Individuals/Hindu undivided Family		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Pravin Kumar Agarwal		1	17,08,125	-	-	17,08,125	12.83	17,08,125	12.83	-	12.83	-	-	-	-	17,08,125
	Yashvikram Infrastructure Private Limited		1	43,06,500	-	-	43,06,500	32.35	43,06,500	32.35	-	32.35	-	-	-	-	43,06,500
	Sudhir Kumar Agarwal		1	30	-	-	30	0.00	20	0.00	-	0.00	-	-	-	-	30
	Alok Kumar Agarwal		1	30	-	-	30	0.00	20	0.00	-	0.00	-	-	-	-	30
	Jyotsna Pravin Kumar Agarwal		1	415800	-	-	415800	3.12	415800	3.12	-	3.12	-	-	-	-	415800
	Shalini Alok Kumar Agarwal		1	30	-	-	30	0.00	30	0.00	-	0.00	-	-	-	-	30
	Ayesspea Holding and		1	1722687	-	-	1722687	12.94	1722687	12.94	-	12.94	-	-	-	-	1722687

Sr. No	Category of Shareholder	PAN	Nos. 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 SCRR, 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)			
	Investment Pvt Ltd																
	Priti Sudhir Agarwal		1	30	-	-	30	0.00	30	0.00	-	0.00	-	-	-	-	30
	Ram Niranjana Bhutra		1	665553	-	-	665553	5.00	665553	5.00	-	5.00	-	-	-	-	665553
	Chandras N Shetty		1	275985	-	-	275985	2.07	275985	2.07	-	2.07	-	-	-	-	275985
	Garuda Aviation Services private Limited		1	4038120	-	-	4038120	30.34	4038120	30.34	-	30.34	-	-	-	-	4038120
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Venture Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A)	-	11	1313289	-	-	1313289	98.66	13132	98.66	-	98.66	-	-	-	-	1313289

Sr. No	Category of Shareholder	PAN	Nos. 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 SCRR, 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)			
	(1)			0					890								0
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		11	13132890	-	-	13132890	98.66	13132890	98.66	-	98.66	-	-	-	-	13132890

Shareholding pattern of the Public shareholders

Category of Shareholder	PAN	Nos. 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 SCRR, 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
Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Il & Fs Trust Company Limited-Trustee (Blume Ventures Fund I)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Il & Fs Trust Company Limited-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Trustee (Blume Venture Fund IA)																
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Governmen t/State Governmen t(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non- Institutions																
Individuals		-	-	-	-	-	-	-	-	-	-					
i. Individual shareholder s holding	-	-	-	-	-	-	-	-	-	-	-					

nominal share capital up to of Rs. 2 lakhs																
ii. Individual shareholder s holding nominal share capital in excess of Rs. 2 lakhs	-	2	178155	-	-	178155	1.34	178155	1.34	-	1.34	-	-	-	-	178155
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas Depositorie s (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-	-					
Sub Total (B)(3)	-	2	178155	-	-	178155	1.34	178155	1.34	-	1.34	-	-	-	-	178155
Total Shareholdin g of Public (B)= (B)(1)+(B)(2)+ (B)(3)	-	2	178155	-	-	178155	1.34	178155	1.34	-	1.34	-	-	-	-	178155

Shareholding pattern of the Non-Promoter Non-Public shareholder

Sr. No.	Category of Shareholder	PAN	Nos. 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 SCRR, 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)	
									Class as : X	Class as : Y	Total								
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI = VII + X	XII		XIII		XIV
(1)	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total (C)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations , 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Subtotal (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Sr. No.	Category of Shareholder	PAN	Nos. 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 SCRR, 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)	
									Class as X	Class as Y	Total								
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI = VII + X	XII		XIII		XIV
	Total Non-Promoter Non-Public Shareholding (C) = (C)(1) +(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Note: PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.

Our Company will file 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 before commencement of trading of such Equity Shares.

In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011 our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialized prior to filing the Prospectus with the ROC.

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)
A)	Promoter				
	Yashvikram Infrastructure Private Limited	43,06,500	32.35%	43,06,500	[●]
	Pravin Kumar Agarwal	17,08,125	12.83%	17,08,125	[●]
	Sub Total (A)	60,14,625	45.18%	60,14,625	[●]
B)	Promoter Group				[●]
	Sudhir Kumar Agarwal	30	0.00%	30	[●]
	Jyotsna Pravin Kumar Agarwal	415800	3.12%	4,15,800	[●]
	Alok Kumar Agarwal	30	0.00%	30	[●]
	Shalini Alok Kumar Agarwal	30	0.00%	30	[●]
	Priti Sudhir Agarwal	30	0.00%	30	[●]
	Ayesspea Holding and Investment Pvt Ltd	1722687	12.94%	1722687	[●]
	Ram Niranjana Bhutra	665553	5.00%	665553	[●]
	Chandras N Shetty	275985	2.07%	275985	[●]
	Garuda Aviation Services private Limited	4038120	30.33%	4038120	[●]
	Sub-total (B)	7118265	53.48%	7118265	[●]
	Total (A+B)	13132890	98.66%	13132890	[●]

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Yashvikram Infrastructure Private Limited	43,06,500	1.88
Pravin Kumar Agarwal	17,08,125	1.54
Total	60,14,625	

Except the following no person belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Shivkumar Chhangur Singh	133110	1.00%
	Total	133110	1.00%

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:

Particulars of the top 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.	Yashvikram Infrastructure Private Limited	4306500	32.35%
2.	Garuda Aviation Services private Limited	4038120	30.34%
3.	Ayesspea Holding and Investment Pvt. Ltd	1722687	12.94%
4.	Pravin Agarwal	1708125	12.83%
5.	Ram Niranjana Bhutra	665553	5.00%
6.	Jyotsna Agarwal	415800	3.12%
7.	Chandahas N Shetty	275985	2.07%
8.	Shiv Kumar	133110	1.00%
9.	Buddhadev Kar	45045	0.34%
10.	Alok Kumar Agarwal	30	0.00%
	Total	1,33,10,955	99.99%

As on the date of this Draft Red Herring Prospectus, our Company has only 13 shareholders.

Particulars of top ten shareholders ten days prior to the date of filing this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Yashvikram Infrastructure Private Limited	4306500	32.35%
2.	Garuda Aviation Services private Limited	4038120	30.34%
3.	Ayesspea Holding and Investment Pvt Ltd	1722687	12.94%
4.	Pravin Agarwal	1708125	12.83%
5.	Ram Niranjana Bhutra	665553	5.00%
6.	Jyotsna Agarwal	415800	3.12%
7.	Chandahas N Shetty	275985	2.07%
8.	Shiv Kumar	133110	1.00%
9.	Buddhadev Kar	45045	0.34%
10.	Alok Kumar Agarwal	30	0.00%
	Total	1,33,10,955	99.99%

As at ten days prior to date of this Draft Red Herring Prospectus, our Company has 13 shareholders.

Particulars of the top ten Equity 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 the then existing Total Paid-Up Capital
1	Ayesspea Holding and Investment Pvt Ltd	2186490	49.28%
2	Yashvikram Infrastructure Pvt Ltd	1435500	32.35%
3	Pravin Kumar Agarwal	138600	3.12%
4	Jyotsna Agarwal	138600	3.12%
5	Sudhir Agarwal	103950	2.34%
6	Shalini Agarwal	103950	2.34%
7	Alok Kumar Agarwal	103950	2.34%
8	Priti Agarwal	103950	2.34%
9	Chandras N. Shetty	91995	2.07%
10	Buddhadev Kar	15015	0.34%
	Total	44,22,000	99.64%

Our Company had 11 Equity shareholders two years prior to the date of this Draft Red Herring Prospectus.

Other than options outstanding under the ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into our Equity Shares as on date of this Draft Red Herring Prospectus.

Except for the Fresh Issue, Bonus shares and the exercise of ESOPs granted under the ESOP Scheme, there will be no further issue of Equity Shares whether by way of issue of preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

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.

Neither the Book Running Lead Manager viz. M/s Holani Consultants Private Limited, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.

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 Lead Manager and the SME Platform of BSE Limited.

The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

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.

There are no Equity Shares against which depository receipts have been issued.

Other than the Equity Shares, there is no other class of securities issued by our Company.

There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company 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

None of the persons / Companies 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.

Our Company, our Promoters, our Directors and the 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.

There are no safety net arrangements for this public issue.

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.

In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time.

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.

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.

As per RBI regulations, OCBs are not allowed to participate in this Issue.

Our Company has not raised any bridge loans against the proceeds of the Issue.

Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

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.

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

We have 13 shareholders as on the date of filing of the Draft Red Herring Prospectus.

Our Promoters and the members of our Promoter Group will not participate in this Issue.

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

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.

For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2018, 2017, 2016 and 2015 please refer to paragraph titled 'Details of Related Parties Transactions as Restated' in the chapter titled "Financial Statements as Restated" on page 251 of the Draft Red Herring Prospectus.

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 208 of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The proceeds of the issue after deducting the issue related expenses (Net Proceeds from the issue) are estimated to be Rs. [●] Lakhs. Our company proposes to utilize the Net Proceeds from the issue towards the funding of the following objects:-

- Working Capital Requirements
- General Corporate Purposes

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

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.

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.

DETAILS OF THE ISSUE PROCEEDS

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

Particulars	Amount (Rs. In Lakhs)*
Gross Proceeds from the Issue	[●]
(Less): Issue Related Expenses	[●]
Net Proceeds from the Issue	[●]

**To be finalized on the determination of the Issue price and thereafter to be updated in the Prospectus prior to filing with the Registrar of Companies (ROC).*

As at [●] our company has incurred Rs. [●] (**Rupees [●] only**) towards Issue Expenses out of internal accruals vide certificate issued by our Statutory Auditor dated [●].

UTILIZATION OF NET PROCEEDS FROM THE ISSUE

Sr. No.	Purpose	Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Working Capital Requirements	2,050.00	[●]%	[●]%
2.	General Corporate Purposes*	[●]	[●]%	[●]%
	Total	[●]	[●]%	[●]%

**To be finalized on the determination of the Issue price and thereafter to be updated in the Prospectus prior to filing with the Registrar of Companies (ROC).*

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue, existing debt and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

In view of the nature of the Lightning industry and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as incremental pre – operative expenses and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management in accordance with applicable laws. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards future growth opportunities, if required and general corporate purposes.

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

Details of Objects:

1. Working Capital

We finance our working capital requirements in the ordinary course of business through bank funding, internal accruals and net worth. For further information, please refer to the chapter titled — “*Financial Indebtedness*” on page 294 of this Draft Red Herring Prospectus.

As on March 31, 2017 and March 31, 2018 our Company’s net working capital requirement was **Rs. 413.90 Lakhs** and **Rs. 980.89 Lakhs** respectively based on the restated financial statements. The working capital requirements for the said years was met through Internal accruals / Net worth / Secured or unsecured borrowings.

Based on our existing working capital requirements and our estimated working capital needs our management has estimated a net working capital requirement of **Rs. 3,980.58 Lakhs** for the period ending on March 31, 2019. The estimated working capital requirement will be funded through the Net Proceeds from the Issue to the extent of **Rs. 2,050.00 Lakhs** and the balance portion will be met through Internal accruals / Net worth / Secured or unsecured borrowings.

Basis of estimation of working capital requirement and sources of funding:

The details of our Company’s working capital requirement for the respective years and funding thereof is set out below:-

(Amount in Rs. Lakhs)

Particulars	As at March 31	
	2018 (Restated)	2017 (Restated)
Current Assets:-		
Inventories:-		
Raw Material	1,345.55	362.21
Consumables and Spares	0.00	0.00
Work in Progress	0.00	0.00
Finished Goods	575.67	64.89
Trade Receivables – Domestic	2,501.90	1,003.70
Trade Receivables – Export	0.00	0.00
Short Term Loans & Advances and Other Current Assets	386.41	49.60

Cash and Cash Equivalents	2.55	4.74
Total (A)	4,812.08	1,485.14
Current Liabilities:-		
Trade Payables	2,002.51	797.20
Other Current Liabilities and Provisions	1,828.68	274.04
Total (B)	3,831.19	1,071.24
Net Working Capital (A) – (B)	980.89	413.90
Source of Funding:-		
C.C. Limit / L.C. Limit	151.28	0.00
Unsecured Borrowings / Internal Accruals / Net Worth	829.61	413.90

The details of our Company's expected working capital requirement and funding thereof as at March 31, 2019 is set out in the table below:-

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2019 (Estimated)
Current Assets:-	
Inventories:-	
Raw Material	1,500.00
Consumables and Spares	0.00
Work in Progress	0.00
Finished Goods	685.00
Trade Receivables – Domestic	2,750.00
Trade Receivables – Export	0.00
Short Term Loans & Advances and Other Current Assets	415.55
Cash and Cash Equivalents	17.98
Total (A)	5,368.53
Current Liabilities:-	
Trade Payables	750.00
Other Current Liabilities and Provisions	637.95
Total (B)	1,387.95
Net Working Capital (A) – (B)	3,980.58
Source of Funding:-	
C.C. Limit	100.00
Issue Proceeds	2,050.00
Internal Accruals / Net Worth / Unsecured Borrowings	1,830.58

Assumptions for Working Capital Requirements and Holding Period Levels:

Assumptions for Holding Levels of Current Assets and Current Liabilities are as under:

(In Months)

Particulars	Holding Level as of March 31, 2017 (Restated)	Holding Level as of March 31, 2018 (Restated)	Holding Level as of March 31, 2019 (Estimated)
Current Assets:-			
Trade Receivables – Domestic	2.55	3.36	3.30
Inventories:-			
Raw Material	1.08	2.18	2.28
Finished Goods	0.18	0.95	1.00
Current Liabilities:-			
Trade Payables	2.38	3.24	1.14

Our Company proposes to utilize **Rs. 2,050.00 Lakhs** of Net Issue Proceeds for meeting the estimated working capital requirements of the company for the financial year ending on March 31, 2019.

Justification for “Holding Period” Levels:-

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

Current Assets	Justification
Inventory – Raw material	The Raw Materials Holding period is expected to remain same in line with the current holding levels. Our management believes that approximately two months inventory of raw material is optimum for the company. Decreasing the levels would lead to shortage in supply of raw materials which may affect our production adversely and increasing the holding levels beyond existing mark would lead to additional carrying costs on the company.
Inventory – Finished Goods	The Finished Goods Holding period is expected to remain same in line with the current holding levels. Our management believes that approximately one month’s inventory of finished goods is optimum given the current demand of products. Decreasing the levels would lead to shortage in supply of finished goods which may affect our revenues adversely and increasing the holding levels beyond existing mark would lead to additional carrying costs on the company.
Trade Receivables – Domestic	The Receivables Holding period is expected to remain same in line with the current holding levels. Our management believes that the current holding levels are appropriate given the current business cycle. However, the company may implement a stricter collection policy in the future so as to ensure that the holding levels do not increase beyond the existing levels.
Current Liabilities	Justification
Trade Payables	The Payables Holding Level is expected to decrease in the subsequent years as a part of IPO proceeds shall be utilized to pay off trade creditors so as to bring holding levels down to an optimum mark. The Company also seeks to implement and adhere to a stricter credit policy which shall help the company in securing favourable and competitive pricing and payment terms with existing and potential vendors. It will also help the company in maintaining sound business relationship with existing vendors.

Pursuant to the certificate dated [●], [●], Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements of the company and the working capital projections as approved by the Board through a resolution dated [●].

2. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Issue Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, brand building & strengthening of marketing operations, partnerships & joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary regulatory provisions applicable on our company. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

ISSUE RELATED EXPENSES

The expenses for this Issue include Issue Management Fees, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fees and Listing Fees. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break – up of the same is as follows:

Particulars Of Expenses	Expenses (Rs. in Lakhs)*	% of Total Issue Expenses)	% of Gross Issue Proceeds
Payment to Merchant banker including expenses towards printing, advertising, and payments to other intermediaries such as Registrars, Bankers, Brokers, SCSB's, RTA's, CDP's etc.	[●]	[●]	[●]
ROC Charges and Other Regulatory Fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]
(Less):- Selling Shareholders Share of Issue Expenses	[●]	[●]	[●]
Issue Expenses to be borne by the Company	[●]	[●]	[●]

As at [●], our Company has incurred Rs. [●] towards Issue expenses out of internal accruals vide certificate issued by our Statutory Auditor dated [●].

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 on the Applications wherein shares are allotted.

Note: For this purpose, the Allotment Amount shall be the product of the Number of Equity Shares Allotted and the Issue Price.

No additional bidding charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

SCSBs will be entitled to a processing fee of Rs. 25.00 (plus applicable goods and service tax), per valid ASBA Form, subject to total ASBA Processing Fees being maximum of Rs. 3.00 lakhs (plus applicable goods and service tax), for processing the ASBA Forms procured by the members of the Syndicate, Sub – Syndicate, Registered Brokers, RTAs or CDPs from Retail Individual Applicants and Non – Institutional Applicants and submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds Rs. 3.00 lakhs (plus applicable goods and service tax), then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs. 3.00 lakhs (plus applicable goods and service tax).

Registered Brokers will be entitled to a commission of Rs. 25.00 (plus applicable goods and service tax), per every valid ASBA Forms wherein, subject to total commission being maximum of Rs. 3.00 lakhs (plus applicable goods and service tax), which are directly procured by the Registered Brokers from Retail Individual Applicants and Non – Institutional Applicants and submitted to SCSBs for processing. In case the commission payable to Registered Brokers exceeds Rs. 3.00 lakhs (plus applicable goods and service tax), then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total commission payable does not exceed Rs. 3.00 lakhs (plus applicable goods and service tax).

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

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our company proposes to deploy the Net Proceeds in the aforesaid objects in accordance with the schedule of implementation and deployment of funds set forth in the table below:-

(Amount in Rs. Lakhs)

Purpose	Net Proceeds of the Issue	Amount incurred till date	Estimated Deployment in FY 2018 – 19
Working Capital Requirements	2,050.00	0.00	2,050.00
General Corporate Purposes*	●	0.00	●
Total	●	0.00	●

**To be finalized on the determination of the Issue price and thereafter to be updated in the Prospectus prior to filing with the Registrar of Companies (ROC).*

To the extent our company is unable to utilize any portion of the Net Proceeds of the issue towards the above stated objects as per the schedule of implementation and deployment of funds, our company shall deploy the unutilized portion of the Net Proceeds of the issue towards the said objects in the subsequent financial years.

BRIDGE FINANCING

As on date of this Draft Red Herring Prospectus we have not entered into any bridge financing arrangements that are proposed to 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

Our management, in accordance with the policies established by our Board of Directors, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the Net proceeds of the Issue for the objects described above, our Company will temporarily invest the Net Proceeds of the issue in deposits with schedule commercial banks included in 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 Net proceeds of the issue as described above, it shall not use the funds from the Net Proceeds of the issue 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 from the Issue.

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 Net Proceeds of the issue. Until such time as any part of the Net Proceeds of the issue remains unutilized, our Company shall disclose the utilization of the Net Proceeds of the issue under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds of the issue have been utilized so far, and details of amounts out of the Net Proceeds of the issue that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds of the issue. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds of the issue 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 Net Proceeds of the issue for the objects stated in this Draft Red Herring Prospectus. The statement of funds utilized shall be certified by the Statutory Auditors of the Company.

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 of the company 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

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, director of promoters in relation to the utilisation of the Net Proceeds of the issue. No part of the Net Proceeds of the issue shall be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

BASIS FOR ISSUE PRICE

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

QUALITATIVE FACTORS

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

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

For further details, refer chapter titled “Our Business” beginning on page 173 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

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

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

Year Ended	Basic EPS (Rs.)		Diluted EPS (Rs.)	
	EPS for par value of ₹10 per share (in ₹)	Weight	EPS for par value of ₹10 per share (in ₹)	Weight
31-Mar-16	4.94	1	4.94	1
31-Mar-17	4.07	2	4.07	2
31-Mar-18	21.55	3	21.55	3
Weighted Average	12.96		12.96	

Note: The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of Equity shares outstanding during the period. Restated weighted average number of Equity shares has been computed as per AS 20. The face value of each Equity share is Rs. 10/-.

Formula Used for Calculation of EPS is given below:

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

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

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

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

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

3. Return on Net Worth (RoNW):

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

Year Ended	(%)	Weight
March 31, 2016	23.28	1
March 31, 2017	21.18	2
March 31, 2018	52.84	3
Weighted Average	37.36	

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

Formula Used for Calculation of RONW is given below:

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

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

Particulars	At Floor Price	At Cap Price
To maintain pre-issue basic EPS	[●]	[●]
To maintain pre-issue diluted EPS	[●]	[●]

5. Net Asset Value (NAV):

The Net Asset Value per equity share is as under:

Particulars	Amount in Rs.
Net Assets Value per Equity Share as on March 31, 2018	40.78
Net Assets Value per Equity Share after the Issue Price	[●]
Issue Price per Equity Share	[●]

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period. Net worth is calculated as sum of share capital and free reserves excluding miscellaneous expenses to the extent not written off.

Formula Used for Calculation of RONW is given below:

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

6. Comparison with Other Listed Companies:

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

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

For further details see section titled ‘Risk Factors’ beginning on the page 20 of this Draft Red Herring Prospectus and financials of the company including profitability and return ratios, as set out in the session titled ‘Financial Statements’ beginning on page 251 of this Draft Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

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

Dear Sir

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

We hereby report that the enclosed annexure prepared by Artemis Electricals Limited, states the possible special tax benefits available to Artemis Electricals Limited ("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 special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein 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 is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Offer") by the Company.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, 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. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/Draft Prospectus/Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Sd/-
(Piyush Agarwal)
Partner
Membership No.:135505
Place: Mumbai
Date: 09.03.2018

ANNEXURE TO THE STATEMENT OF TAX BENEFITS:

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law

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

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV – ABOUT THE COMPANY OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. 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 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 20 and 251 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

OVERVIEW OF LED MANUFACTURING INDUSTRY

A **light-emitting diode (LED)** is a two-lead semiconductor light source. It is a p–n junction diode that emits light when activated. When a suitable current is applied to the leads, electrons are able to recombine with electron holes within the device, releasing energy in the form of photons. This effect is called electroluminescence, and the color of the light (corresponding to the energy of the photon) is determined by the energy band gap of the semiconductor. LEDs are typically small (less than 1 mm²) and integrated optical components may be used to shape the radiation pattern. Early LEDs were often used as indicator lamps for electronic devices, replacing small incandescent bulbs. They were soon packaged into numeric readouts in the form of seven-segment displays and were commonly seen in digital clocks. Recent developments have produced LEDs suitable for environmental and task lighting. LEDs have led to new displays and sensors, while their high switching rates are useful in advanced communications technology.

LEDs have many advantages over incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching. Light-emitting diodes are used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, camera flashes, lighted wallpaper and medical devices. They are also significantly more energy efficient and, arguably, have fewer environmental concerns linked to their disposal. Most LEDs were made in the very common 5 mm T1¾ and 3 mm T1 packages, but with rising power output, it has grown increasingly necessary to shed excess heat to maintain reliability, so more complex packages have been adapted for efficient heat dissipation. Packages for state-of-the-art high-power LEDs bear little resemblance to early LEDs. Light output and efficiency of blue and near-ultraviolet LEDs rose as the cost of reliable devices fell. This led to relatively high-power white-light LEDs for illumination, which are replacing incandescent and fluorescent lighting.

Working Principle

A P-N junction that can convert absorbed light energy into a proportional electric current. The same process is reversed here (i.e. the P-N junction emits light when electrical energy is applied to it). This phenomenon is generally called electroluminescence, which can be defined as the emission of light from a semiconductor under the influence of an electric field. The charge carriers recombine in a forward-biased P-N junction as the electrons cross from the N-region and recombine with the holes existing in the P-region. Free electrons are in the conduction band of energy levels, while holes are in

the valence energy band. Thus, the energy level of the holes is less than the energy levels of the electrons. Some portion of the energy must be dissipated to recombine the electrons and the holes. This energy is emitted in the form of heat and light.

Technology

The LED consists of a chip of semiconducting material doped with impurities to create a p-n junction. As in other diodes, current flows easily from the p-side, or anode, to the n-side, or cathode, but not in the reverse direction. Charge-carriers—electrons and holes—flow into the junction from electrodes with different voltages. When an electron meets a hole, it falls into a lower energy level and releases energy in the form of a photon. LEDs are usually built on an n-type substrate, with an electrode attached to the p-type layer deposited on its surface. P-type substrates, while less common, occur as well. Many commercial LEDs, especially GaN/InGaN, also use sapphire substrate.

Efficiency and operational parameters

One of the key advantages of LED-based lighting sources is high luminous efficacy. White LEDs quickly matched and overtook the efficacy of standard incandescent lighting systems. In 2002, Lumileds made five-watt LEDs available with luminous efficacy of 18–22 lumens per watt (lm/W). For comparison, a conventional incandescent light bulb of 60–100 watts emits around 15 lm/W, and standard fluorescent lights emit up to 100 lm/W.

Lifetime and failure

Solid-state devices such as LEDs are subject to very limited wear and tear if operated at low currents and at low temperatures. Typical lifetimes quoted are 25,000 to 100,000 hours, but heat and current settings can extend or shorten this time significantly. It is important to note that these projections are based on a standard test that may not accelerate all the potential mechanisms that can induce failures in LEDs. The most common symptom of LED (and diode laser) failure is the gradual lowering of light output and loss of efficiency. Sudden failures, although rare, can also occur. Early red LEDs were notable for their short service life. With the development of high-power LEDs, the devices are subjected to higher junction temperatures and higher current densities than traditional devices. This causes stress on the material and may cause early light-output degradation. Whereas, in most previous sources of light (incandescent lamps, discharge lamps, and those that burn combustible fuel, e.g. candles and oil lamps) the light results from heat, LEDs only operate if they are kept cool enough. The manufacturer commonly specifies a maximum junction temperature of 125 or 150 °C, and lower temperatures are advisable in the interests of long life. At these temperatures, relatively little heat are lost by radiation, which means that the light beam generated by an LED is cool.

Advantages

- **Efficiency:** LEDs emit more lumens per watt than incandescent light bulbs. The efficiency of LED lighting fixtures is not affected by shape and size, unlike fluorescent light bulbs or tubes.
- **Color:** LEDs can emit light of an intended color without using any color filters as traditional lighting methods need. This is more efficient and can lower initial costs.
- **Size:** LEDs can be very small (smaller than 2 mm²) and are easily attached to printed circuit boards.

- **Warm-up time:** LEDs light up very quickly. A typical red indicator LED achieves full brightness in under a microsecond. LEDs used in communications devices can have even faster response times.
- **Cycling:** LEDs are ideal for uses subject to frequent on-off cycling, unlike incandescent and fluorescent lamps that fail faster when cycled often, or high-intensity discharge lamps (HID lamps) that require a long time before restarting.
- **Dimming:** LEDs can very easily be dimmed either by pulse-width modulation or lowering the forward current. This pulse-width modulation is why LED lights, particularly headlights on cars, when viewed on camera or by some people, seem to flash or flicker. This is a type of stroboscopic effect.
- **Cool light:** In contrast to most light sources, LEDs radiate very little heat in the form of IR that can cause damage to sensitive objects or fabrics. Wasted energy is dispersed as heat through the base of the LED.
- **Slow failure:** LEDs mostly fail by dimming over time, rather than the abrupt failure of incandescent bulbs.
- **Lifetime:** LEDs can have a relatively long useful life. One report estimates 35,000 to 50,000 hours of useful life, though time to complete failure may be longer. Fluorescent tubes typically are rated at about 10,000 to 15,000 hours, depending partly on the conditions of use, and incandescent light bulbs at 1,000 to 2,000 hours. Several DOE demonstrations have shown that reduced maintenance costs from this extended lifetime, rather than energy savings, is the primary factor in determining the payback period for an LED product.
- **Shock resistance:** LEDs, being solid-state components, are difficult to damage with external shock, unlike fluorescent and incandescent bulbs, which are fragile.
- **Focus:** The solid package of the LED can be designed to focus its light. Incandescent and fluorescent sources often require an external reflector to collect light and direct it in a usable manner. For larger LED packages total internal reflection (TIR) lenses are often used to the same effect. However, when large quantities of light are needed many light sources are usually deployed, which are difficult to focus or collimate towards the same target.

Disadvantages

- **Initial price:** LEDs are currently slightly more expensive (price per lumen) on an initial capital cost basis, than other lighting technologies. As of March 2014, at least one manufacturer claims to have reached \$1 per kilo lumen. The additional expense partially stems from the relatively low lumen output and the drive circuitry and power supplies needed.
- **Temperature dependence:** LED performance largely depends on the ambient temperature of the operating environment – or thermal management properties. Overdriving an LED in high ambient temperatures may result in overheating the LED package, eventually leading to device failure. An adequate heat sink is needed to maintain long life. This is especially important in automotive, medical, and military uses where devices must operate over a wide range of temperatures, which require low failure rates. Toshiba has produced LEDs with an operating temperature range of –40 to

100 °C, which suits the LEDs for both indoor and outdoor use in applications such as lamps, ceiling lighting, street lights, and floodlights.

- **Voltage sensitivity:** LEDs must be supplied with a voltage above their threshold voltage and a current below their rating. Current and lifetime change greatly with a small change in applied voltage. They thus require a current-regulated supply (usually just a series resistor for indicator LEDs).
- **Color rendition:** Most cool-white LEDs have spectra that differ significantly from a black body radiator like the sun or an incandescent light. The spike at 460 nm and dip at 500 nm can make the color of objects appear differently under cool-white LED illumination than sunlight or incandescent sources, due to metamerism, red surfaces being rendered particularly poorly by typical phosphor-based cool-white LEDs.
- **Area light source:** Single LEDs do not approximate a point source of light giving a spherical light distribution, but rather a lambertian distribution. So LEDs are difficult to apply to uses needing a spherical light field; however, different fields of light can be manipulated by the application of different optics or "lenses". LEDs cannot provide divergence below a few degrees. In contrast, lasers can emit beams with divergences of 0.2 degrees or less.
- **Electrical polarity:** Unlike incandescent light bulbs, which illuminate regardless of the electrical polarity, LEDs only light with correct electrical polarity. To automatically match source polarity to LED devices, rectifiers can be used.
- **Blue hazard:** There is a concern that blue LEDs and cool-white LEDs are now capable of exceeding safe limits of the so-called blue-light hazard as defined in eye safety specifications such as "ANSI/IESNA RP-27.1-05: Recommended Practice for Photo biological Safety for Lamp and Lamp Systems". However, a later paper showed that there is no risk in normal use at domestic illuminance for the general population.
- **Light pollution:** Because white LEDs, especially those with high color temperature, emit much more short wavelength light than conventional outdoor light sources such as high-pressure sodium vapor lamps, the increased blue and green sensitivity of scotopic vision means that white LEDs used in outdoor lighting cause substantially more sky glow. The American Medical Association warned on the use of high blue content white LEDs in street lighting, due to their higher impact on human health and environment, compared to low blue content light sources (e.g. High-Pressure Sodium, PC amber LEDs, and low CCT LEDs).
- **Efficiency droop:** The efficiency of LEDs decreases as the electric current increases. Heating also increases with higher currents, which compromises LED lifetime. These effects put practical limits on the current through an LED in high power applications.
- **Impact on insects:** LEDs are much more attractive to insects than sodium-vapor lights, so much so that there has been speculative concern about the possibility of disruption to food webs.
- **Use in winter conditions:** Since they do not give off much heat in comparison to incandescent lights, LED lights used for traffic control can have snow obscuring them, leading to accidents.

Applications

LED uses fall into four major categories:

- Visual signals where light goes more or less directly from the source to the human eye, to convey a message or meaning
- Illumination where light is reflected from objects to give visual response of these objects
- Measuring and interacting with processes involving no human vision[176]
- Narrow band light sensors where LEDs operate in a reverse-bias mode and respond to incident light, instead of emitting light.

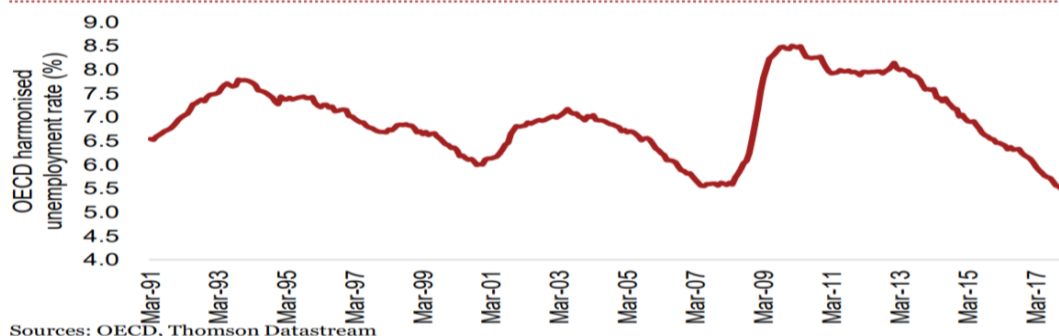
Source: https://en.wikipedia.org/wiki/Light-emitting_diode

GLOBAL ECONOMIC ENVIRONMENT

GLOBAL ECONOMIC OVERVIEW

Ten years after the Global Financial Crisis, the recovery is underway and output levels have surpassed pre-crisis levels in most advanced economies. But how are labour markets performing? At a high level, they have (almost) never been better. Figure 1 shows that the Organization for Economic Co-operation and Development (“OECD”) harmonized unemployment rate is at its lowest ever recorded rate of 5.4%. But despite tightening labour markets, wages have not yet picked up as economic theory would predict. This has been a key feature in large economies like the US and the UK—we looked at the latter in more detail in our UK Economic Outlook report last July. In this edition, we look closely at the relationship between unemployment and wage growth—traditionally described as the ‘Phillips Curve’—for the Eurozone. Looking at the high-level statistics, the Eurozone unemployment rate currently stands at the 8.5% mark— but this doesn’t reveal the wide variation across member states from around 3.5% in Germany to over 20% in Greece. Our analysis highlights some of the potential reasons for the decoupling of wage inflation from unemployment rates, including: • Structural factors such as the digitalization of work and erosion of the bargaining power of workers (in part due to reduced trade union membership); • The creation of a single monetary authority in the Eurozone since 1999, which has lowered inflation expectations in some markets; and • The accession of the lower income Eastern European economies which effectively increased the supply of labour available to Eurozone (and European Union) economies. On a broader note, we continue to monitor economic developments in the Eurozone, which continues to grow at robust rates— the latest flash estimate shows the bloc grew by 0.4% quarter-on quarter in the first three months of the year. However, our analysis of the latest set of detailed national accounts data shows that the Eurozone is increasingly reliant on external demand as a key source of GDP growth. This could make the bloc more susceptible to uncertainties in the international trade arena and could explain some of the softening of the survey data which came out last month. By comparison, the US economy grew by 0.6% quarter-on-quarter for the first three months of the year, whereas the UK just by 0.1% quarter-on quarter. We will be monitoring these for any revisions in the coming weeks.

Fig 1: The OECD unemployment rate is currently at its lowest level since records began



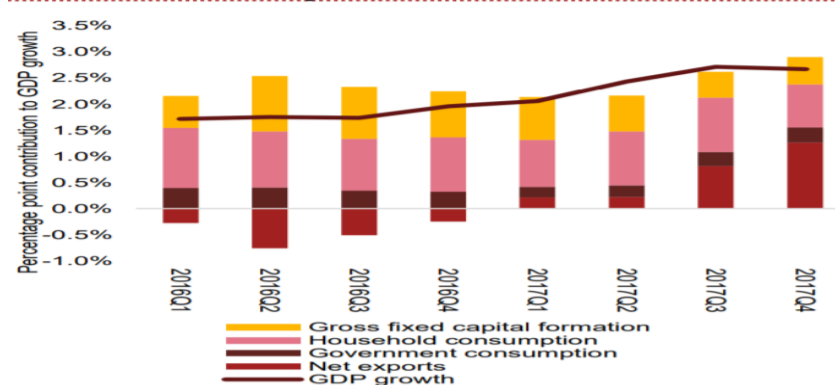
Economic update: Eurozone economic performance remains reliant on external demand

Ten years on from the global financial crisis of 2008, the Eurozone is exhibiting signs of broad-based growth. Last year, for example, the bloc grew at an estimated rate of 2.3% —the fastest rate of growth recorded since the financial crisis. The latest breakdown of the national accounts shows a more detailed picture of the sources of growth. Our analysis of the data in Figure 2 shows that:

- Household consumption held up as a key source of economic growth throughout the period, but there are signs that households remain cautious in their spending habits. This was reflected in the gradual uptick in the savings ratio from about 11.9% in the last quarter of 2016 to about 12.2% in the fourth quarter of 2017—despite about a million jobs being created in the Eurozone since the first quarter of 2016.
- The contribution of gross fixed capital formation (or investments) was the biggest driver of economic growth in 2016.
- Other sources of growth like government consumption held steady as austerity has eased and government budgets are now growing in line with economic performance. ...with net exports the bloc's strong and weak point

However, the most impressive turnaround recorded is that of net exports, which swung from a negative contribution of almost one percentage point in the second quarter of 2016 to a positive contribution of 1.3 percentage points in the fourth quarter of 2017 (see Figure 2). Geographically, most of this was driven by the peripheral economies (particularly in the tourism sector where most experienced a recorded breaking year). Looking to the future, net exports highlight both the Eurozone's key strength and vulnerability. On the one hand, strong growth in the Eurozone's key exports markets is expected to continue. But at the same time, reliance on external demand as a key source of economic growth means the Eurozone is more susceptible to uncertainty and potential disruption in the global trading system.

Fig 2: The Eurozone's most impressive feat has been the turnaround in net exports

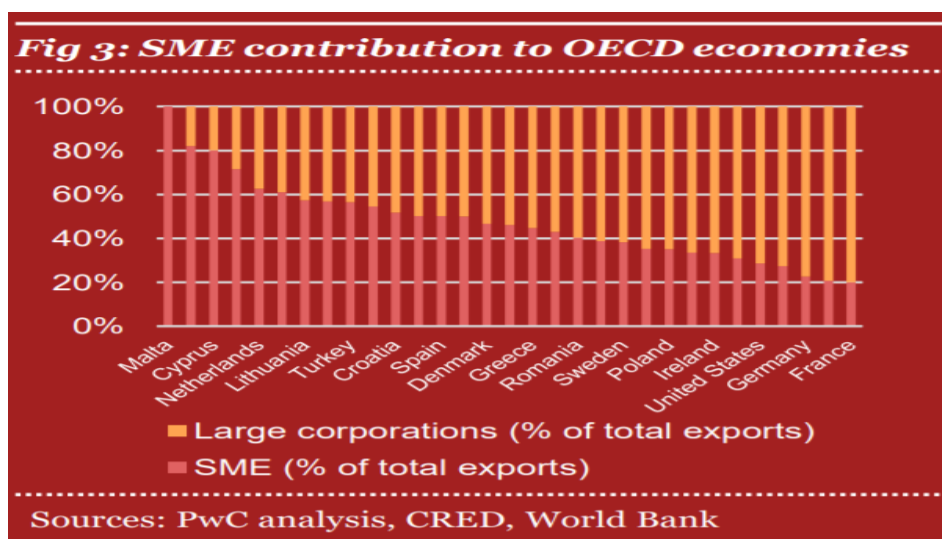


Sources: PwC analysis, Eurostat

Do global trade rules favour larger businesses?

Global institutions have supported merchandise trade growth Since the foundation of the World Trade Organization (WTO) in 1995, global merchandise trade has increased by over 200%, facilitated by a reduction in average tariffs. More importantly, this has been accompanied by the establishment of a rules-based framework making trade practices stable and predictable. But how has trade performance differed between larger and smaller businesses? The data suggest that larger businesses are more likely to export Our analysis of data (see Figure 3) for a selection of OECD and other European countries shows that larger businesses do indeed tend to be more active in the export market compared to small and medium sized enterprises (SMEs). This makes sense as large multi-national businesses—particularly those in the manufacturing sector—tend to have widely spread production processes with components crossing various international borders as part of the growing prevalence of global value chains (“GVC”). There are also other reasons why larger businesses are naturally more inclined to export, which include: Easier access to international capital markets, which is important for funding working capital and capital expenditure, making them more cost-efficient and competitive

in international markets; and Economies of scale (possibly because of a patented product or production technique) which allow them to spread their fixed costs over a large volume of output. Smaller businesses tend to be more focused on services which are less tradeable but this does not give the complete picture. According to a policy brief by the OECD*, smaller businesses tend to be more active in the services sector which, in turn, tend to be less tradeable. This, however, is not an ironclad rule. For example, in Cyprus and in Malta, most small businesses are focused in the tourism, travel and accommodation sectors, which are much more export oriented. Similarly, the Milestone in Germany and Austria or the highly skilled engineering businesses in the North of Italy are highly export oriented businesses despite their relatively small size. But technological changes are supporting growth in cross-border services activity. Despite the absence of a globally agreed set of standards for trade in services, rapid and sustained technological advancements have boosted services trade. The International Monetary Fund (“IMF”), for example, estimates that cross-border trade in services has grown steadily in the past forty years and now accounts for about one fifth of global exports. The key sector that has led growth in cross border activity here is the “modern services” sector, which covers activities that can be delivered at a distance including telecommunications, financial intermediation and professional services. The export outlook for these sectors continues to remain bright. In conclusion, larger corporations are expected to be more active in the international trade space because of factors inherent in their size. SMEs, which tend to be more active in the services sectors, tend to trade less internationally (with the exception of some industries mentioned above), partly because international services standards do not yet exist here to the same degree as in manufacturing. However, technological change is making the selling of cross-border services easier over time, which should help more SMEs to export in these sectors. *Small and Medium-Sized enterprises: Local strength, Global Reach, OECD (2000)



Why has the Eurozone Phillips Curve gone flatter and lower?

Personnel costs make up a significant component of business costs, while wages and salaries also make up a key source of consumer demand in the economy, so it is important to be able to predict wage inflation. Traditional economic theory suggests that as the unemployment rate decreases and the labour market tighten, wage inflation should pick up. This relationship is generally described as the ‘Phillips Curve’ after the economist (A.W. Phillips) who first documented this empirical regularity. Higher wage inflation tends to feed through into higher consumer price inflation through both a demand effect (higher purchasing power for households) and a supply effect (higher cost base for businesses). In anticipation of this, central banks may start to raise interest rates in response to signs that unemployment is falling because they expect this will feed through into higher wage and

eventually price growth. Lately, however, economists have been puzzled by the state of the labour market in the UK and US, which seems to defy the above logic. In the UK, for example, the unemployment rate has fallen to just over 4%, the lowest level since the mid-1970s, but wage growth remains relatively modest. Is the Eurozone in a similar position? Eurozone Phillips curve has gone lower and flatter to answer this question, we have modelled the Phillips Curve for the Eurozone as a whole since the mid-1980s (see Figure 4). We find that the relationship between the unemployment rate and a proxy for wages in the Eurozone can be characterised by three distinct periods:

- 1986-1998: From when the Single European Act was signed (where the EU committed to creating the Single Market) to the launch of the single currency.
- 1999-2008: From the launch of the euro to the beginning of the global financial crisis (“GFC”)
- 2009-2017: From the GFC to the present as can be seen from Figure 4, the relationship between the unemployment rate and wage growth has become much flatter in the 1999-2008 and 2009-2017 periods than it was in 1986-1998, when a downward-sloping, higher Phillips curve did seem to be in operation (albeit with significant variation around the line of best fit). As well as the flattening of the curve, we have also seen the Phillips curve shift downwards over time as wage growth rates have declined. Structural factors help explain some of the movement. A number of structural factors help to explain the downward shift of the Phillips Curve, some of which are common to most advanced economies. These include the gradual decline of unionisation over the period, partly driven by shifts in the structure of the economy and partly by policy changes (including privatisation). These changes reduce labour’s bargaining power and could contribute to flattening the Phillips curve. Similarly, the digitalisation of work through rapid technological change could be another contributor to the flattening of the curve, as a wider variety of work can now be carried out remotely, so making labour supply potentially more elastic, but the creation of the European Central Bank has also had an effect. However, what our analysis also shows is that the transfer of authority to set monetary policy from the national central banks to the European Central Bank (“ECB”) in 1999 has also had a material impact on the relationship between compensation and the unemployment rate. Specifically, our analysis suggests (see Figure 5) that two key events affected the Phillips Curve through the following channels:
 - Lowering inflation expectations: Pushed the Phillips Curve downwards for a given rate of unemployment as workers’ inflation expectations were adjusted downwards towards the newly established ECB’s target of “close to, but below 2%” particularly in the historically high inflation Southern Eurozone economies which also experienced high levels of foreign currency volatility (see Figure 6); and
 - Increase labour supply: Made the Phillips Curve less steep by gradually opening up the labour to the newly admitted lower-income Eastern European economies. This key development made labour supply gradually more elastic over time.

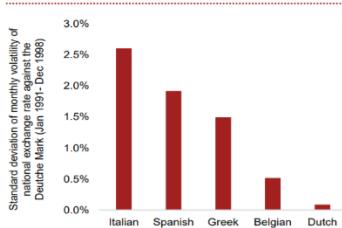
What does this mean for the future? Assuming no further structural change, the above analysis suggests that labour market slack is unlikely to be the key driver of wage growth in the future. This makes other factors like structural changes to boost labour productivity growth rates more important in the future to improve wage growth prospects in the Eurozone.

Fig 4: Phillips curve has been flattening over the past 20 years



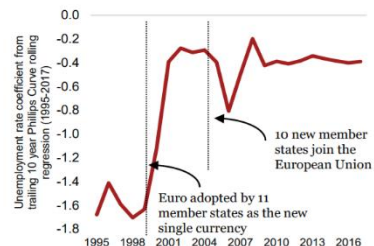
Sources: PwC analysis, Eurostat
 *Due to the unavailability of historic data we used nominal compensation which includes wages, salaries in cash and in kind and employer's social security contributions.

Fig 6: Historically, peripheral Eurozone economies have had high levels of FX volatility with their own national currencies



Sources: PwC Analysis, Thomson Datastream

Fig 5: The Phillips Curve turned flatter after the introduction of the Euro



Sources: PwC analysis, Eurostat

Projections: June 2018

	Share of 2016 world GDP		Real GDP growth			Inflation		
	PPP	MER	2018p	2019p	2020-2024p	2018p	2019p	2020-2024p
Global (Market Exchange Rates)		100.0%	3.3	3.1	2.9	2.6	2.5	2.4
Global (PPP rates)	100.0%		3.8	3.7	3.5	3.0	2.9	2.8
G7	31.0%	47.1%	2.2	1.9	1.7	2.0	1.9	1.9
E7	36.9%	25.8%	5.5	5.4	5.1	3.3	3.4	3.5
United States	15.5%	24.7%	2.8	2.3	2.0	2.3	2.2	2.1
China	17.8%	14.9%	6.5	6.3	5.9	2.3	2.4	2.6
Japan	4.4%	6.6%	1.0	0.8	0.6	0.5	1.1	1.3
United Kingdom	2.3%	3.5%	1.3	1.6	1.8	2.5	2.2	2.1
Eurozone	10.4%	13.9%	2.2	2.0	1.8	1.9	1.7	1.6
France	2.3%	3.3%	2.1	1.9	1.8	2.6	2.1	1.8
Germany	3.3%	4.6%	2.4	2.1	1.9	2.1	1.7	1.8
Greece	0.2%	0.3%	2.0	2.1	1.5	1.0	1.1	1.7
Ireland	0.3%	0.4%	3.5	3.2	2.8	0.9	1.3	1.9
Italy	1.9%	2.5%	1.3	1.2	1.2	1.2	1.4	1.2
Netherlands	0.7%	1.0%	2.6	2.3	1.9	1.6	1.9	1.6
Portugal	0.2%	0.3%	2.1	1.9	1.3	1.4	1.5	1.4
Spain	1.4%	1.6%	2.8	2.5	2.0	1.6	1.6	1.4
Poland	0.9%	0.6%	3.7	3.4	3.0	2.1	2.6	2.3
Russia	3.2%	1.7%	1.7	1.7	1.7	4.2	4.1	4.2
Turkey	1.7%	1.1%	3.2	3.8	3.5	8.4	8.1	7.0
Australia	1.0%	1.7%	2.9	3.0	2.8	2.2	2.5	2.5
India	7.2%	3.0%	7.4	7.6	7.0	4.5	5.0	5.0
Indonesia	2.5%	1.2%	5.3	5.4	5.2	4.0	3.8	4.3
South Korea	1.6%	1.9%	2.9	2.7	2.8	1.8	2.0	2.0
Argentina	0.7%	0.7%	3.0	3.2	3.2	19.5	-	-
Brazil	2.6%	2.4%	2.2	2.4	2.6	4.1	4.2	4.5
Canada	1.4%	2.0%	2.2	2.0	2.0	2.1	2.0	2.0
Mexico	1.9%	1.4%	2.1	2.2	2.5	4.2	3.9	3.0
South Africa	0.6%	0.4%	1.3	1.5	3.0	5.3	5.6	5.4
Nigeria	0.9%	0.5%	2.0	3.4	4.8	12.1	10.7	9.0
Saudi Arabia	1.5%	0.8%	1.3	1.9	3.1	3.7	3.0	2.3

Sources: PwC analysis, National statistical authorities, Datastream and IMF. All inflation indicators relate to the Consumer Price Index (CPI). Argentina has recently launched a new CPI measure, which only contains data from April 2016. Therefore we only project inflation for 2017, and will provide 2018 and 2019-2023 projections once a longer series is available. Note that the tables above form our main scenario projections and are therefore subject to considerable uncertainties. We recommend that our clients look at a range of alternative scenarios. PPP refers to "purchasing power parity" and MER refers to "market exchange rates".

Interest rate outlook of major economies

Source:

<https://www.pwc.com/gx/en/issues/economy/global-economy-watch/assets/images/global-economy-watch-june-2018.pdf>

Expansion Continues at a Less Even Pace: As the global cyclical upswing approaches its two-year mark, the pace of expansion in some economies appears to have peaked and growth has become less synchronized across countries. Among advanced economies, growth divergences between the United States on one side, and Europe and Japan on the other, are widening. Growth is also becoming more uneven among emerging market and developing economies, reflecting the combined influences of rising oil prices, higher yields in the United States, sentiment shifts following escalating trade tensions, and domestic political and policy uncertainty. While financial conditions remain generally benign, these factors have resulted in capital inflow reductions, higher financing costs, and exchange rate pressures, more acute in countries with weaker fundamentals or higher political risks. High-frequency data present a mixed picture of near-term global activity. Retail sales volumes appear to have picked up in the second quarter, and survey data of purchasing managers for the service sector remain generally strong. Industrial production, however, appears to have softened, and survey data of purchasing managers in manufacturing indicate a weakening of new export orders.

Commodity prices and inflation: Largely reflecting supply shortfalls, global oil prices increased 16 percent between February 2018 (the reference period for the April 2018 WEO) and early June 2018 (the reference period for the July 2018 WEO Update). In June, the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC oil producers agreed to raise oil production by about 1 million barrels per day from current levels, correcting the recent undershooting of the November 2016 group target. Market expectations suggest that declining capacity in Venezuela and US sanctions on Iran may pose difficulties for the group to deliver the agreed upon production increase consistently. Futures markets, however, indicate prices are likely to decline over the next 4–5 years (in part due to increased US shale production)—as of end-June, medium-term futures prices are about \$59 per barrel

(20 percent below current levels). The increase in fuel prices has lifted headline inflation in advanced and emerging market economies. Core inflation has strengthened in the United States as the labour market has tightened further, and inched up in the euro area. Core inflation in emerging markets has also increased, reflecting pass-through effects from currency depreciation in some cases and second-round effects of higher fuel prices in others. Prices of agricultural commodities have increased marginally, reflecting diminishing excess supply.

Financial conditions in advanced economies: With firmer readings on inflation and strong job creation, the US Federal Reserve continued the course of gradual policy normalization. It raised the target range for the Federal Funds rate by 25 basis points in June, while signalling two additional rate hikes in 2018 and three in 2019—a steeper schedule than indicated in March. The ECB announced that it will taper its monthly asset purchases from the current €30 billion to €15 billion in October, with an anticipated end to the program on December 31. It also indicated it will maintain policy rates at their current levels at least through the summer of 2019, a somewhat more accommodative forward guidance than anticipated by markets. US Treasury 10-year yields, at around 2.85 percent as of early July, have risen modestly since February, while yields on German 10-year bunds, at around 30 basis points, have declined over the same period. Among other advanced economies, in late May Italian sovereign spreads widened by their largest amount since 2012, following difficulties around the formation of a new government. They have since declined but remain around 240 basis points as of early July on concerns about future policies. Spill overs to other advanced economies' bond markets were mostly contained, with other euro area spreads remaining compressed. Equity prices in advanced economies are generally higher than their February-March levels. After the February spike, volatility has subsided and risk appetite has been strong. Consequently, financial conditions in advanced economies remain generally accommodative.

Financial conditions in emerging markets: Central banks in key emerging market economies—including Argentina, India, Indonesia, Mexico, and Turkey—have raised policy rates, responding to inflation and exchange rate pressures (coupled with capital flow reversals in some cases). Long-term yields have also increased in recent months, and spreads have generally widened. Most emerging market equity indices have declined modestly, reflecting, in some cases, concerns about imbalances (e.g., Argentina and Turkey), and, more generally, rising downside risks to the outlook.

Exchange rates and capital flows: As of early July 2018, the US dollar has strengthened by over 5 percent in real effective terms since February (the reference period for the April 2018 WEO), while the euro, Japanese yen, and British pound sterling are broadly unchanged. In contrast, some emerging market currencies have depreciated sharply. The Argentine peso has weakened by over 20 percent and the Turkish lira by around 10 percent, due to concerns about financial and macroeconomic imbalances. The Brazilian real has depreciated by over 10 percent on a weaker-than-expected recovery and political uncertainty. Weaker-than-anticipated macroeconomic data for South Africa contributed to the 7 percent depreciation of the South African rand, unwinding part of the sharp appreciation that had occurred in late 2017 and early 2018. The currencies of the largest emerging market economies in Asia have remained broadly in line with their levels in February, with the Chinese renminbi depreciating modestly. Reflecting signs of financial stress in some more vulnerable countries and growing trade tensions, capital flows to emerging economies weakened in the second quarter (through May) after a strong start to the year, with a pickup in non-resident sales of portfolio debt securities.

Global Growth Forecast

Global growth for 2018 and 2019 is projected at 3.9 percent, as forecast in the April 2018 WEO. While headline numbers suggest a broadly unchanged global outlook relative to the April WEO, underlying revisions point to differing prospects across economies. The baseline forecast assumes gradually tightening but still favourable financial conditions, with localized pressures based on differences in fundamentals. Monetary policy normalization in advanced economies is assumed to proceed in a well-communicated, steady manner. Domestic demand growth (notably investment,

which has been an important part of the global recovery) is expected to continue at a strong pace, even as overall output growth slows in some cases where it has been above trend for several quarters. In the baseline forecast, the direct contractionary effects of recently announced and anticipated trade measures are expected to be small, as these measures affect only a very small share of global trade so far. The baseline forecast also assumes limited spill overs to market sentiment, even if escalating trade tensions are an important downside risk.

Advanced economy growth is expected to remain above trend at 2.4 percent in 2018—similar to 2017—before easing to 2.2 percent in 2019. The forecast for 2018 is lower by 0.1 percentage point compared to the April WEO, largely reflecting greater-than-expected growth moderations in the euro area and Japan after several quarters of above-potential growth.

- In the *United States*, near-term momentum in the economy is expected to strengthen temporarily in line with the April WEO forecast, with growth projected at 2.9 percent in 2018 and 2.7 percent in 2019. Substantial fiscal stimulus together with already-robust private final demand will lift output further above potential and lower the unemployment rate below levels last registered 50 years ago, creating additional inflationary pressures. Imports are set to pick up with stronger domestic demand, increasing the US current account deficit and widening excess global imbalances.
- Growth in the *euro area* economy is projected to slow gradually from 2.4 percent in 2017 to 2.2 percent in 2018 and to 1.9 percent in 2019 (a downward revision of 0.2 percentage point for 2018 and 0.1 percentage point for 2019 compared with the April WEO). Forecasts for 2018 growth have been revised down for *Germany* and *France* after activity softened more than expected in the first quarter, and in *Italy*, where wider sovereign spreads and tighter financial conditions in the wake of recent political uncertainty are expected to weigh on domestic demand.
- The growth forecast for *Japan* has been marked down to 1.0 percent for 2018 (0.2 percentage point below the April WEO projection) following a contraction in the first quarter, owing to weak private consumption and investment. The economy is expected to strengthen over the remainder of the year and into 2019, aided by stronger private consumption, external demand, and investment. Emerging market and developing economies have experienced powerful crosswinds in recent months: rising oil prices, higher yields in the United States, dollar appreciation, trade tensions, and geopolitical conflict. The outlook for regions and individual economies thus varies depending on how these global forces interact with domestic idiosyncratic factors. Financial conditions remain generally supportive of growth, though there has been differentiation across countries based on economic fundamentals and political uncertainty. With the updraft on oil exporters from higher oil prices largely offset by the combined drag on other economies from the forces described above, the group's overall 2018 and 2019 growth forecasts remain unchanged from the April WEO at 4.9 and 5.1 percent, respectively.
- *Emerging and Developing Asia* is expected to maintain its robust performance, growing at 6.5 percent in 2018–19. Growth in China is projected to moderate from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019, as regulatory tightening of the financial sector takes hold and external demand softens. India's growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, as drags from the currency exchange initiative and the introduction of the goods and services tax fade. The projection is 0.1 and 0.3 percentage point lower for 2018 and 2019, respectively, than in the April WEO, reflecting negative effects of higher oil prices on domestic demand and faster-than-anticipated monetary policy tightening due to higher expected inflation. Growth in the ASEAN-5 group of economies is expected to stabilize at around 5.3 percent as domestic demand remains healthy and exports continue to recover.
- In *Emerging and Developing Europe*, growth is projected to moderate from 5.9 percent in 2017 to 4.3 percent in 2018 and further to 3.6 percent in 2019 (0.1 percentage point lower than in the April WEO for 2019). Financial conditions have tightened for some economies with large external deficits— notably *Turkey*, where growth is set to soften from 7.4 percent in 2017 to 4.2 percent this year.

- Growth in *Latin America* is projected to increase modestly from 1.3 percent in 2017 to 1.6 percent in 2018, and further to 2.6 percent in 2019 (0.4 and 0.2 percentage point lower than projected in the April WEO). While higher commodity prices continue to provide support for commodity exporters in the region, the subdued outlook compared with April reflects more difficult prospects for key economies, owing to tighter financial conditions and needed policy adjustment (Argentina); lingering effects of strikes and political uncertainty (Brazil); and trade tensions and prolonged uncertainty surrounding the NAFTA renegotiation and the policy agenda of the new government (Mexico). The outlook for Venezuela, which is experiencing a dramatic collapse in activity and a humanitarian crisis, was revised down further, despite the pickup in oil prices, as oil production has declined sharply.
- Oil exporters in the *Middle East, North Africa, Afghanistan, and Pakistan* region have benefited from the improved outlook for oil prices, but the outlook for oil importing countries remains fragile. Several economies still face large fiscal consolidation needs and the threat of intensifying geopolitical conflict continues to weigh on growth in the region. Growth is projected to strengthen from 2.2 percent in 2017 to 3.5 percent in 2018 and further to 3.9 percent in 2019—0.2 percentage point higher than in the April WEO for 2019.
- The recovery in *Sub-Saharan Africa* is set to continue, supported by the rise in commodity prices. For the region, growth is expected to increase from 2.8 percent in 2017 to 3.4 percent this year, rising further to 3.8 percent in 2019 (0.1 percentage point higher for 2019 than forecast in the April WEO). The upgraded forecast reflects improved prospects for *Nigeria's* economy. Its growth is set to increase from 0.8 percent in 2017 to 2.1 percent in 2018 and 2.3 percent in 2019 (0.4 percentage point higher than in the April WEO for 2019) on the back of an improved outlook for oil prices. Despite the weaker-than-expected first quarter outturn in *South Africa* (in part due to temporary factors), the economy is expected to recover somewhat over the remainder of 2018 and into 2019 as confidence improvements associated with the new leadership are gradually reflected in strengthening private investment.
- Growth in the *Commonwealth of Independent States* is projected to stabilize at around 2.3 percent in 2018–19, with an upward revision of 0.1 percentage point for each year compared with the April WEO. The outlook for the *Russian* economy is similar to the April projection, with the positive effects of higher oil prices counterbalanced by the impact of sanctions, while the outlook for *Kazakhstan* has improved on stronger oil prices.

Risks Tilted to the Downside

While the baseline forecast for global growth is roughly unchanged, the balance of risks has shifted to the downside in the near term and, as in the April 2018 WEO, remains skewed to the downside in the medium term. The possibility for more buoyant growth than forecast has faded somewhat in light of the weak outturns in the first quarter in several large economies, the moderation in high-frequency economic indicators, and tighter financial conditions in some vulnerable economies. Downside risks, on the other hand, have become more salient, most notably the possibilities of escalating and sustained trade actions, and of tighter global financial conditions.

- *Financial tensions.* Recent bouts of volatility highlight the possibility of abrupt shifts in global financial conditions due to markets' reassessment of fundamentals and risks, including changing expectations about monetary policy or the effects of rising trade tensions, sudden increases in risk- or term premia, and increasing political uncertainty. As discussed in the April 2018 WEO and *Global Financial Stability Report*, signs of firmer-than-expected inflation in the United States could lead to a shift in market expectations of US interest rate hikes, which are currently well below those in the WEO baseline forecast. A sudden deterioration of risk appetite could trigger disruptive portfolio adjustments, accelerate and broaden the reversal of capital flows from emerging markets, and lead to further US dollar appreciation, straining economies with high leverage, fixed exchange rates or balance sheet mismatches. In some euro area countries, policy inaction and political shocks at the national level could lead to sovereign spread decompression, worsening public debt dynamics and

weakening bank balance sheets. In China, where the authorities are taking welcome steps to slow credit growth, uncoordinated financial and local government regulatory action could have unintended consequences that trigger disorderly repricing of financial assets, increase rollover risks, and lead to stronger-than-forecast negative effects on activity.

- *Trade tensions.* The outlook is also clouded by ongoing trade tensions and waning support for global economic integration in some advanced economies. In the past few months, the United States has imposed tariffs on a variety of imports, prompting retaliatory measures from trading partners. At the same time, NAFTA and the economic arrangements between the United Kingdom and the rest of the European Union are under renegotiation. An escalation of trade tensions could undermine business and financial market sentiment, denting investment and trade. Beyond its immediate toll on market sentiment, the proliferation of trade measures could increase the uncertainty about the potential breadth of trade actions, thus hindering investment, while higher trade barriers would make tradable goods less affordable, disrupt global supply chains, and slow the spread of new technologies, thus lowering productivity.
- *Noneconomic factors.* By raising the possibility of slower reform implementation or significant changes in policy objectives, political uncertainty, including in the context of upcoming elections or their immediate aftermaths in several countries, could deter private investment and weaken economic activity. In Europe, the late May sell-off in Italian bonds has once again turned the spotlight on deep structural challenges and thin buffers at the national level, posing significant risks to the outlook. Geopolitical risks and domestic strife are weighing on the outlook in several economies, especially in the Middle East and sub-Saharan Africa. Furthermore, many countries remain vulnerable to the economic and humanitarian costs of extreme weather events and other natural disasters, with potentially significant cross-border ramifications through migration flows.

Policy Priorities

While the baseline forecast for the global economy points to continued, if less even expansion in 2018–19, the potential for disappointments has increased. Against this backdrop, there is an even greater urgency to advance policies and reforms that extend the current expansion and strengthen resilience to reduce the possibility of a disruptive unwinding. Moreover, medium-term per capita growth projections remain below past averages in many economies. Without comprehensive measures to raise potential output and ensure the benefits are shared by all, disenchantment with existing economic arrangements could well fuel further support for growth-detracting inward-looking policies. Multilateral cooperation within an open, rule-based trade system has a vital role to play in preserving the global expansion and strengthening medium-term prospects. Given the diversity of cyclical positions, structural constraints, and available policy space, policy priorities differ across countries.

- In *advanced economies*, the macroeconomic stance should be tailored to the maturing cyclical position. Where inflation is converging to targets, a gradual, well-communicated, data-dependent monetary normalization can ensure a smooth adjustment. With debt levels near record highs in many countries, fiscal policies should start rebuilding buffers where needed. The pace should be calibrated to avoid sharp drags on growth, with appropriate measures to enhance economic inclusion. Procyclical fiscal stimulus should be avoided and rolled back (e.g., United States), while further steps should be taken by countries with fiscal space and excess external surpluses to boost domestic growth potential and address global imbalances (e.g., Germany). To strengthen medium term prospects, countries should prioritize supply-side measures that raise potential output and productivity, including investing in physical and digital infrastructure, boosting labor force participation where aging threatens future labor supply, and enhancing workforce skills. Repairing remaining pockets of vulnerability in the financial sector is essential in some advanced economies in the euro area, including through continued balance sheet cleanup, promoting consolidation in overbanked jurisdictions, and boosting bank profitability. More broadly, avoiding an indiscriminate rollback of post crisis regulatory reforms would help maintain resilience in a potentially more volatile financial environment.

- Many *emerging market and developing economies* need to enhance resilience through an appropriate mix of fiscal, monetary, exchange rate, and prudential policies to reduce vulnerability to tightening global financial conditions, sharp currency movements, and capital flow reversals. Long-standing advice on the importance of reining in excess credit growth where needed, supporting healthy bank balance sheets, containing maturity and currency mismatches, and maintaining orderly market conditions has become even more relevant in the face of renewed market volatility. In general, allowing for exchange rate flexibility will be an important means for cushioning the impact of adverse external shocks, although the effects of exchange rate depreciations on private and public sector balance sheets and on domestic inflation expectations need to be closely monitored. With debt levels rising rapidly in both emerging and low-income economies over the past decade, fiscal policy should focus on preserving and rebuilding buffers where needed, through growth-friendly measures that protect the most vulnerable. To raise potential growth and enhance its inclusiveness, structural reforms remain essential to alleviate infrastructure bottlenecks, strengthen the business environment, upgrade human capital, and ensure access to opportunities for all segments of society.

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WEO Update, July 2018

Table 1. Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise)

	Year over Year				Difference from April 2018 WEO Projections 1/		Q4 over Q4 2/		
	2016	2017	Projections		2018	2019	2017	Projections	
			2018	2019				2018	2019
World Output	3.2	3.7	3.9	3.9	0.0	0.0	4.0	3.8	3.8
Advanced Economies	1.7	2.4	2.4	2.2	-0.1	0.0	2.6	2.4	1.9
United States	1.5	2.3	2.9	2.7	0.0	0.0	2.6	3.0	2.4
Euro Area	1.8	2.4	2.2	1.9	-0.2	-0.1	2.8	1.9	2.0
Germany	1.9	2.5	2.2	2.1	-0.3	0.1	2.9	2.1	1.9
France	1.1	2.3	1.8	1.7	-0.3	-0.3	2.8	1.4	1.8
Italy	0.9	1.5	1.2	1.0	-0.3	-0.1	1.6	0.9	1.2
Spain	3.3	3.1	2.8	2.2	0.0	0.0	3.1	2.5	2.2
Japan	1.0	1.7	1.0	0.9	-0.2	0.0	2.0	1.0	-0.6
United Kingdom	1.8	1.7	1.4	1.5	-0.2	0.0	1.3	1.5	1.5
Canada	1.4	3.0	2.1	2.0	0.0	0.0	3.0	2.1	1.9
Other Advanced Economies 3/	2.3	2.7	2.8	2.7	0.1	0.1	2.9	2.9	2.7
Emerging Market and Developing Economies	4.4	4.7	4.9	5.1	0.0	0.0	5.2	5.0	5.4
Commonwealth of Independent States	0.4	2.1	2.3	2.2	0.1	0.1	1.5	2.4	2.1
Russia	-0.2	1.5	1.7	1.5	0.0	0.0	1.1	2.2	1.9
Excluding Russia	1.9	3.6	3.6	3.7	0.1	0.1	...	...	...
Emerging and Developing Asia	6.5	6.5	6.5	6.5	0.0	-0.1	6.7	6.5	6.5
China	6.7	6.9	6.6	6.4	0.0	0.0	6.8	6.5	6.3
India 4/	7.1	6.7	7.3	7.5	-0.1	-0.3	7.5	7.4	7.8
ASEAN-5 5/	4.9	5.3	5.3	5.3	0.0	-0.1	5.4	5.3	5.4
Emerging and Developing Europe	3.2	5.9	4.3	3.6	0.0	-0.1	6.1	2.1	5.9
Latin America and the Caribbean	-0.6	1.3	1.6	2.6	-0.4	-0.2	1.7	1.7	2.6
Brazil	-3.5	1.0	1.8	2.5	-0.5	0.0	2.2	2.3	2.4
Mexico	2.9	2.0	2.3	2.7	0.0	-0.3	1.5	2.8	3.0
Middle East, North Africa, Afghanistan, and Pakistan	5.0	2.2	3.5	3.9	0.1	0.2	...	...	...
Saudi Arabia	1.7	-0.9	1.9	1.9	0.2	0.0	-1.4	2.8	2.0
Sub-Saharan Africa	1.5	2.8	3.4	3.8	0.0	0.1	...	...	...
Nigeria	-1.6	0.8	2.1	2.3	0.0	0.4	...	...	...
South Africa	0.6	1.3	1.5	1.7	0.0	0.0	1.9	1.5	1.1
Memorandum									
Low-Income Developing Countries	3.5	4.7	5.0	5.3	0.0	0.0	...	...	...
World Growth Based on Market Exchange Rates	2.5	3.2	3.3	3.3	-0.1	0.0	3.4	3.2	3.1
World Trade Volume (goods and services) 6/	2.2	5.1	4.8	4.5	-0.3	-0.2	...	...	...
Advanced Economies	2.2	4.2	4.3	4.0	-0.5	-0.2	...	...	...
Emerging Market and Developing Economies	2.2	6.7	5.7	5.4	0.2	0.0	...	...	...
Commodity Prices (U.S. dollars)									
Oil 7/	-15.7	23.3	33.0	-1.8	15.0	4.7	19.6	22.5	-6.4
Nonfuel (average based on world commodity export weights)	-1.5	6.8	6.0	0.5	0.4	0.0	1.9	7.6	-0.3
Consumer Prices									
Advanced Economies	0.8	1.7	2.2	2.2	0.2	0.3	1.7	2.4	2.2
Emerging Market and Developing Economies 8/	4.3	4.0	4.4	4.4	-0.2	0.1	3.5	4.0	3.7
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	1.1	1.5	2.6	3.5	0.2	0.1	...	...	...
On Euro Deposits (three month)	-0.3	-0.3	-0.3	-0.1	0.0	-0.1	...	...	...
On Japanese Yen Deposits (six month)	0.0	0.0	0.0	0.1	0.0	0.0	...	...	...

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 31, 2018. Economies are listed on the basis of economic size.

The aggregated quarterly data are seasonally adjusted.

1/ Difference based on rounded figures for both the current and April 2018 *World Economic Outlook* forecasts. Countries whose forecasts have been updated relative to April 2018 *World Economic Outlook* forecasts account for 94 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output, the quarterly estimates and projections account for approximately 90 percent of annual world GDP measured at purchasing-power-parity weights.

For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' GDP measured at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year.

5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$52.81 in 2017; the assumed price based on futures markets (as of June 1, 2018) is \$70.23 in 2018 and \$68.99 in 2019.

8/ Excludes Argentina and Venezuela.

- Multilateral cooperation* remains vital to address challenges that transcend countries' borders. Global economic integration under an open, rule-based multilateral trade system has raised living standards, helped lift productivity, and spread innovation throughout the world. To preserve and broaden these gains, countries should work together to reduce trade costs further and resolve disagreements without raising tariff and non-tariff barriers. Cooperative global efforts are essential across a range of other

areas, such as completing the financial regulatory reform agenda, preventing further buildup of excess global imbalances, strengthening international taxation, and mitigating and coping with climate change. These include the increase in US tariffs on imported solar panels, washing machines, steel, aluminum, and a range of Chinese products, and the announced retaliatory measures by trading partners as of July 6. The effect of the broader trade actions announced by the United States on July 10 is not incorporated in the baseline.

Source:

<https://www.imf.org/en/Publications/WEO/Issues/2018/07/02/world-economic-outlook-update-july-2018>

GLOBAL OUTLOOK FOR GROWTH

Global growth: *expected to ease.* Global growth is projected to stabilize at 3.1 percent in 2018—the same pace as last year—supported by firming investment in advanced economies, a continued recovery in commodity-exporting emerging market and developing economies, and still robust growth in commodity-importing ones (Figure 1.A). However, only in a minority of countries will activity accelerate further this year, and global growth is projected to ease gradually over the next two years, to 2.9 percent in 2020. Despite the projected moderation, global growth will continue to exceed potential, suggesting that capacity constraints will become more binding and global inflation will rise.

Global trends: *less supportive of growth.* Trade has been robust, but is expected to moderate, as the recovery in capital spending wanes (Figure 1.B). A faster-than-expected rise in global interest rates, combined with a renewed strength of the U.S. dollar, have contributed to tighter external financing conditions and moderating capital inflows in emerging market and developing economies (EMDEs). In this context, investors have become increasingly focused on country-specific exposures to rising borrowing costs and currency pressures. Commodity prices—particularly oil—are also higher than previously expected, mainly reflecting supply-side considerations.

EMDE growth: *maturing recovery.* Growth in EMDEs is projected to gain further strength, reaching 4.5 percent in 2018 before stabilizing at 4.7 percent in 2019-20 as the recovery in commodity exporters matures. Growth in commodity exporters is expected to increase to 2.5 percent in 2018 and to average 3.0 percent in 2019 and 2020, as investment growth plateaus and output gaps close. Growth in commodity importers is projected to remain broadly stable in 2018-20, averaging 5.8 percent, as a structural slowdown in China is offset by a moderate pickup in the rest of the group.

Per capita income in EMDEs: *uneven progress.* Growth prospects for EMDEs remain favourable over the forecast horizon but may not be sufficient to ensure rapid poverty alleviation, particularly in Sub-Saharan Africa. In that region, per capita income growth is projected to reach 1 percent by 2020, significantly lower than the EMDE average of 3.5 percent. In contrast, per capita income growth is expected to reach 6 percent in South Asia, which is the region with the second largest number of 2 extreme poor. At the projected pace, growth will be insufficient to restart the catch-up of income per capita with advanced economies in about one-third of EMDEs (Figure 1.C).

Risks to the outlook: *tilted downward.* Risks to the outlook are tilted to the downside, with some becoming more acute. In particular, an accelerated tightening of global financing conditions and disorderly exchange rate developments could have severe consequences in many EMDEs facing record-high debt levels, mounting refinancing needs, and deteriorating credit quality (Figure 1.D). Escalation of trade restrictions among major economies could derail global trade, with particularly

adverse consequences for EMDEs (Figure 1.E). Electoral outcomes in a number of countries, including in Europe, could heighten policy uncertainty, while an intensification of geopolitical tensions could also hamper growth prospects. Depleted policy buffers make many countries unprepared to the possibility of a faster-than-expected slowdown in global growth.

Policy priorities for EMDEs: brace for headwinds. Policymakers need to meet head-on the prospects of rising global interest rates and possible financial market volatility. Deteriorating debt dynamics underline the importance of fostering revenue mobilization and restoring fiscal buffers. EMDEs also need to boost longer-term growth prospects by intensifying economic diversification among commodity exporters, and, more broadly, by strengthening workforce skills, adapting to technological change, and promoting trade openness. Higher tertiary education enrolment can help move EMDEs closer to technological frontiers, but improving basic numeracy, literacy, and skills from current levels is a key priority for many low- and middle-income countries (Figure 1.F).

Figure 1: Global prospects

Global growth remains robust but is projected to decelerate as global trade and investment moderate. In about one-third of EMDEs, income per capita growth will be insufficient to restart catch-up with advanced economies. EMDEs are vulnerable to a sudden increase in borrowing costs amid elevated debt levels, and to escalating trade protectionism. Improving education outcomes could help raise per capita income levels and growth prospects in key EMDE regions.

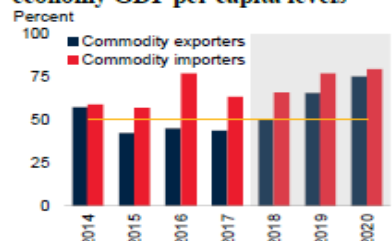
A. Growth



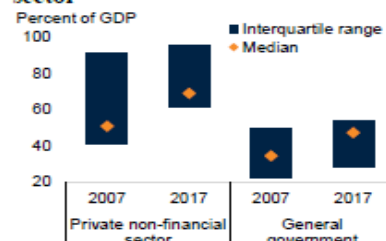
B. Global trade and investment growth, volumes



C. Share of EMDEs catching up to advanced-economy GDP per capita levels



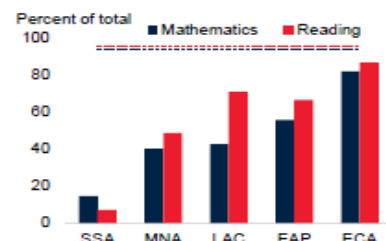
D. EMDE debt as a share of GDP, by borrowing sector



E. Impact on trade from worldwide increase in tariffs to bound levels by 2020



F. Students proficient in math and reading



Sources: Bank for International Settlements, World Bank.

A. -C. Shaded area indicates forecasts.

A. E. EMDEs = emerging market and developing economies.

A. Aggregate growth rates calculated using constant 2010 U.S. dollar GDP weights.

B. Trade measured as the average of export and import volumes.

C. EMDEs with per capita GDP growth of at least 0.1 percentage point higher than advanced-economy per capita GDP growth are those counted as converging. Advanced-economy growth rates calculated using constant 2010 U.S. dollar GDP weights. Sample includes 73 EMDE commodity exporters and 44 EMDE commodity importers.

D. Debt is defined as loans and debt securities. Sample includes 16 EMDEs.

E. Bars denote the percent deviation from baseline in 2020. Data are calculated from simulations using the GDyn computable general equilibrium model (Ianchovichina and McDougall 2000; Ianchovichina and Walmsley 2012). Trade-weighted aggregates include 36 advanced economies and 71 EMDEs.

F. EAP = East Asia and Pacific, ECA = Europe and Central Asia, LAC = Latin America and Caribbean, MNA = Middle East and North Africa, and SSA = Sub-Saharan Africa. Data for South Asia are unavailable. Dashed horizontal lines show advanced-economy average.

Table 1.1 Real GDP¹
(Percent change from previous year)

	2015	2016	2017e	2018f	2019f	2020f	Percentage point differences from January 2018 projections		
							2018f	2019f	2020f
World	2.8	2.4	3.1	3.1	3.0	2.9	0.0	0.0	0.0
Advanced economies	2.3	1.7	2.3	2.2	2.0	1.7	0.0	0.1	0.0
United States	2.9	1.5	2.3	2.7	2.5	2.0	0.2	0.3	0.0
Euro Area	2.1	1.8	2.4	2.1	1.7	1.5	0.0	0.0	0.0
Japan	1.4	1.0	1.7	1.0	0.8	0.5	-0.3	0.0	0.0
Emerging market and developing economies (EMDEs)	3.7	3.7	4.3	4.5	4.7	4.7	0.0	0.0	0.0
Commodity-exporting EMDEs	0.5	0.8	1.8	2.5	3.0	3.0	-0.2	-0.1	-0.1
Other EMDEs	6.1	5.9	6.2	5.8	5.8	5.7	0.1	0.1	0.0
Other EMDEs excluding China	5.2	4.9	5.3	5.1	5.1	5.1	0.3	0.0	0.0
East Asia and Pacific	6.5	6.3	6.6	6.3	6.1	6.0	0.1	0.0	0.0
China	6.9	6.7	6.9	6.5	6.3	6.2	0.1	0.0	0.0
Indonesia	4.9	5.0	5.1	5.2	5.3	5.4	-0.1	0.0	0.1
Thailand	3.0	3.3	3.9	4.1	3.8	3.8	0.5	0.3	0.4
Europe and Central Asia	1.1	1.7	4.0	3.2	3.1	3.0	0.3	0.1	0.0
Russia	-2.5	-0.2	1.5	1.5	1.8	1.8	-0.2	0.0	0.0
Turkey	6.1	3.2	7.4	4.5	4.0	4.0	1.0	0.0	0.0
Poland	3.8	2.9	4.6	4.2	3.7	3.5	0.2	0.2	0.4
Latin America and the Caribbean	-0.4	-1.5	0.8	1.7	2.3	2.5	-0.3	-0.3	-0.2
Brazil	-3.5	-3.5	1.0	2.4	2.5	2.4	0.4	0.2	-0.1
Mexico	3.3	2.9	2.0	2.3	2.5	2.7	0.2	-0.1	0.1
Argentina	2.7	-1.8	2.9	1.7	1.8	2.8	-1.3	-1.2	-0.4
Middle East and North Africa	2.8	5.0	1.6	3.0	3.3	3.2	0.0	0.1	0.0
Saudi Arabia	4.1	1.7	-0.7	1.8	2.1	2.3	0.6	0.0	0.1
Iran	-1.3	13.4	4.3	4.1	4.1	4.2	0.1	-0.2	-0.1
Egypt ²	4.4	4.3	4.2	5.0	5.5	5.8	0.5	0.2	0.0
South Asia	7.1	7.5	6.6	6.9	7.1	7.2	0.0	-0.1	0.0
India ³	8.2	7.1	6.7	7.3	7.5	7.5	0.0	0.0	0.0
Pakistan ²	4.1	4.6	5.4	5.8	5.0	5.4	0.3	-0.8	-0.6
Bangladesh ²	6.6	7.1	7.3	6.5	6.7	7.0	0.1	0.0	0.3
Sub-Saharan Africa	3.1	1.5	2.6	3.1	3.5	3.7	-0.1	0.0	0.1
Nigeria	2.7	-1.6	0.8	2.1	2.2	2.4	-0.4	-0.6	-0.4
South Africa	1.3	0.6	1.3	1.4	1.8	1.9	0.3	0.1	0.2
Angola	3.0	0.0	1.2	1.7	2.2	2.4	0.1	0.7	0.9
Memorandum items:									
Real GDP¹									
High-income countries	2.3	1.7	2.2	2.2	2.0	1.8	0.0	0.1	0.0
Developing countries	3.7	3.8	4.6	4.7	4.8	4.8	0.0	0.0	-0.1
Low-income countries	4.9	4.8	5.5	5.7	5.9	6.3	0.3	0.4	0.6
BRICS	4.0	4.4	5.3	5.4	5.4	5.4	0.1	0.0	0.0
World (2010 PPP weights)	3.4	3.2	3.7	3.8	3.8	3.7	0.1	0.1	0.0
World trade volume ⁴	2.7	2.8	4.8	4.3	4.2	4.0	0.3	0.3	0.2
Commodity prices									
Oil price ⁵	-47.3	-15.6	23.3	32.6	-1.4	0.1	23.2	-3.1	-1.6
Non-energy commodity price index	-15.8	-2.6	5.5	5.1	0.2	0.5	4.5	-0.6	-0.7

Source: World Bank.

Notes: PPP = purchasing power parity; e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time. Country classifications and lists of emerging market and developing economies (EMDEs) are presented in Table 1.2. BRICS include: Brazil, Russia, India, China, and South Africa.

1. Aggregate growth rates calculated using constant 2010 U.S. dollar GDP weights.

2. GDP growth values are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. Pakistan's growth rates are based on GDP at factor cost. The column labeled 2017 refers to FY2016/17.

3. The column labeled 2018 refers to FY2018/17.

4. World trade volume of goods and non-factor services.

5. Simple average of Dubai, Brent, and West Texas Intermediate.

For additional information, please see www.worldbank.org/gep.

Source: <http://pubdocs.worldbank.org/en/331521526414101557/Global-Economic-Prospect-2018-Highlights-Chapter-1.pdf>

THE INDIAN ECONOMY

Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April, 2017 and February, 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year. India has retained its position as the third largest start-ups base in the world with over 4,750 technology start-ups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

Recent Developments

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

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four-month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.

- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalization plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signalling a recovery in the economy.

Government Initiatives

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core

components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Union Cabinet gave its approval to the North-East Industrial Development Scheme (NEIDS) 2017 in March 2018 with an outlay of Rs 3,000 crores (US\$ 460 million) up to March 2020.
- In March 2018, construction of 321,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban) has been approved by the Ministry of Housing and Urban Poverty Alleviation, Government of India with an allocation of Rs 18,203 crore.
- The Ministry of Power, Government of India has partnered with the Ministry of Skill Development & Entrepreneurship to provide training to the manpower in six states in an effort to speed up the implementation of SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojna).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 844.81 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).
- In February 2018, The Union Cabinet Committee has approved setting up of National Urban Housing Fund (NUHF) for Rs 60,000 crore (US\$ 9.3 billion) which will help in raising requisite funds in the next four years.
- The target of an Open Defecation Free (ODF) India will be achieved by October 2, 2019 as adequate funding is available to the Swachh Bharat Mission (Gramin), according to Ms Uma Bharti, Minister of Drinking Water and Sanitation, Government of India.
- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organizations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. (Exchange Rate Used: INR 1 = US\$ 0.0153 as on March 29, 2018)

Source: <https://www.ibef.org/economy/indian-economy-overview>

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

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

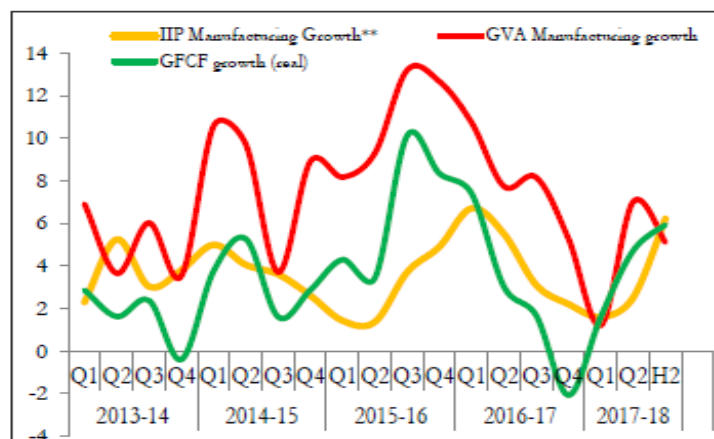
- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four-month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalization plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.

- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 start-ups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

OUTLOOK FOR 2017-18

Economic activity

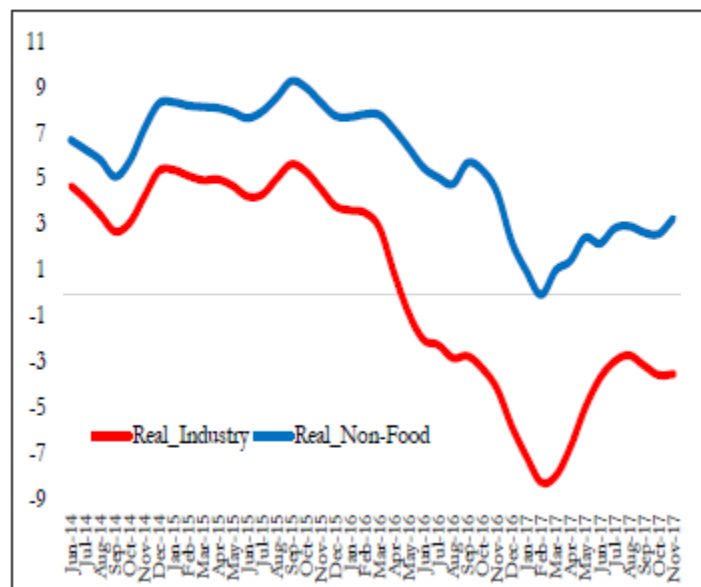
**Figure 17. GVA, GFCF and IIP
(Year-on-year, percent)**



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).

Figure 18: Real Credit Growth***
(Industry and Non-Food Credit, 3MMA, YOY)



Source: CSO, Survey calculations; *-The last data points for GVA, GFCF based on data for H2. **-IIP for Q3 is based on data from October and November; ***-Deflated using average of CPI and WPI.

Moreover, the flow of non-bank 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, substituted by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

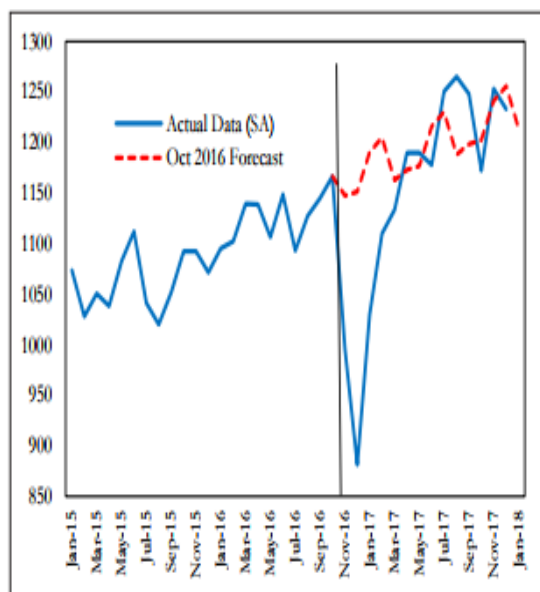
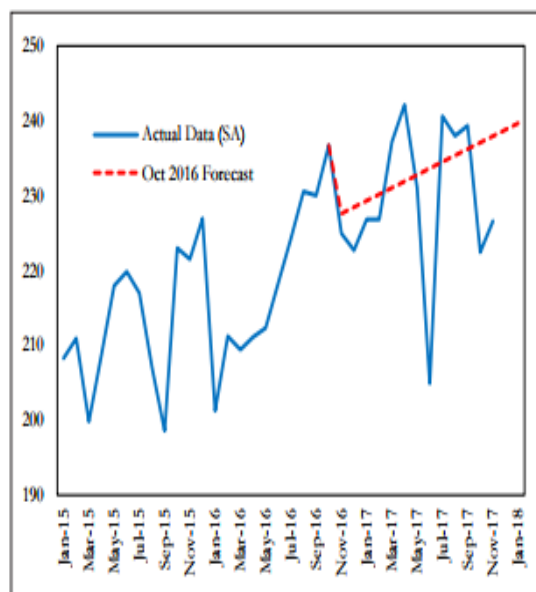


Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)



Source: Society for Indian Automobile Manufacturers, Survey calculations.

Figure 13. Growth of Manufacturing Export Value
(Year-on-year, 3 month moving average)

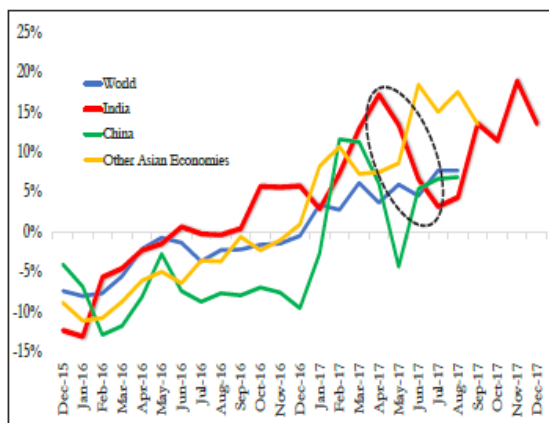
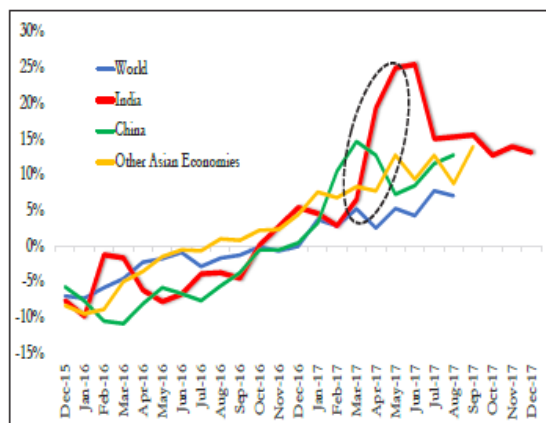


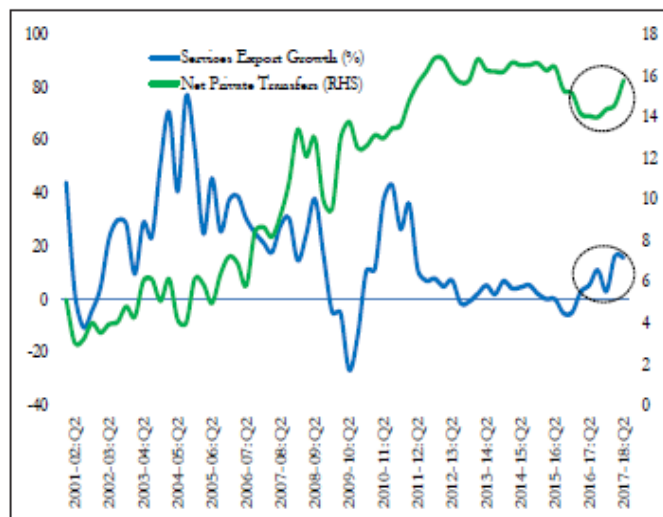
Figure 14. Growth of Manufacturing Import Value
(Year-on-year, 3 month moving average)



Source: International Trade Statistics (ITC) & DGCIS.

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 (Figures 13 and 14), in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

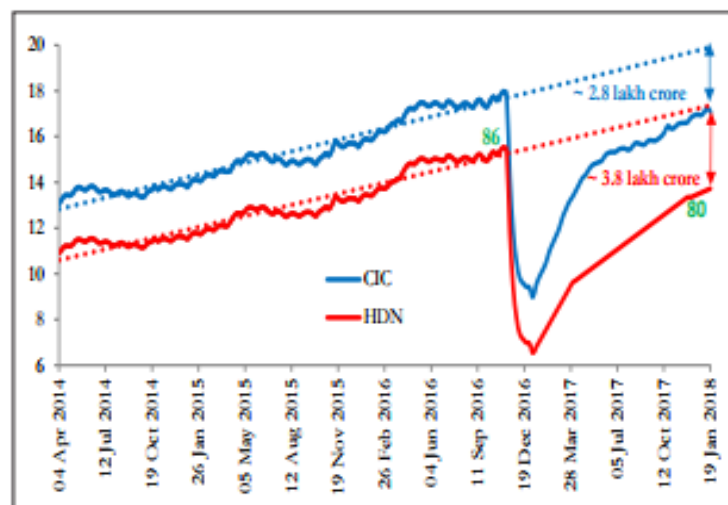
Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)



Source: RBI, Survey calculations.

Due to 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 i.e. fall in amount of cash held in hand by about Rs. 2.8 lakh crore (1.8 percent of GDP) and reduction in high denomination notes in circulation by Rs. 3.8 lakh crore (2.5 percent of GDP).

Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)



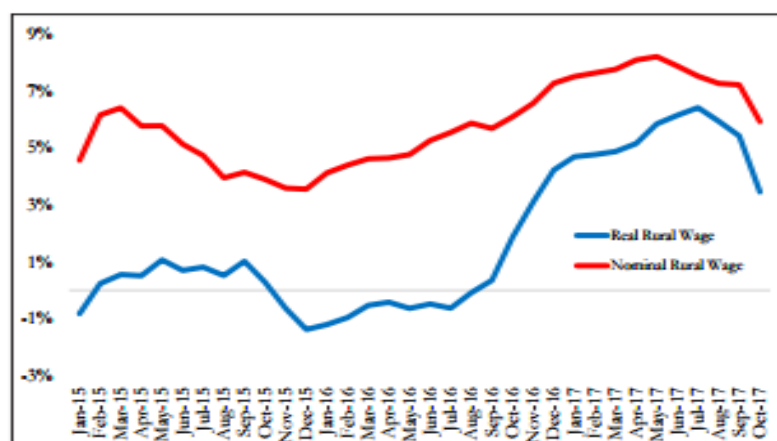
Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

A final important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. To smoothen 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 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, corporate have not raised commensurate amounts of capital, suggesting that their investment plans remain modest. 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 labour. 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.

Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)



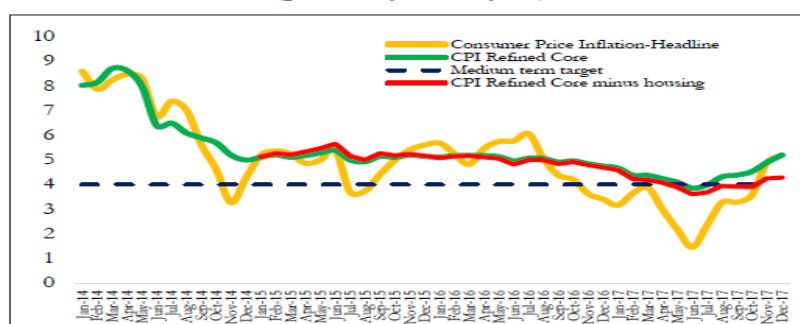
Source: Labour Bureau, Survey calculations.

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 undershooting 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.

Figure 24. Inflation: CPI and Variants* (percent, year-on-year)



Source: MoSPI, Survey calculations.

*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

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, 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 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.

Box 6. The Stock Market Boom and Equity Raising

Normally, when stock prices boom, as they have done in the past two years, firms issue more equity publicly, taking advantage of the reduced cost of capital to embark on new investment projects. This happened in the mid-2000s and again around 2010. In the last two years, especially in the first eight months of this year, there has once again been a pick-up in equity-raising activity. If current trends continue, the number of issues and their value could double the levels recorded in the previous six years (Table).

Table : Public and Private Equity Raising

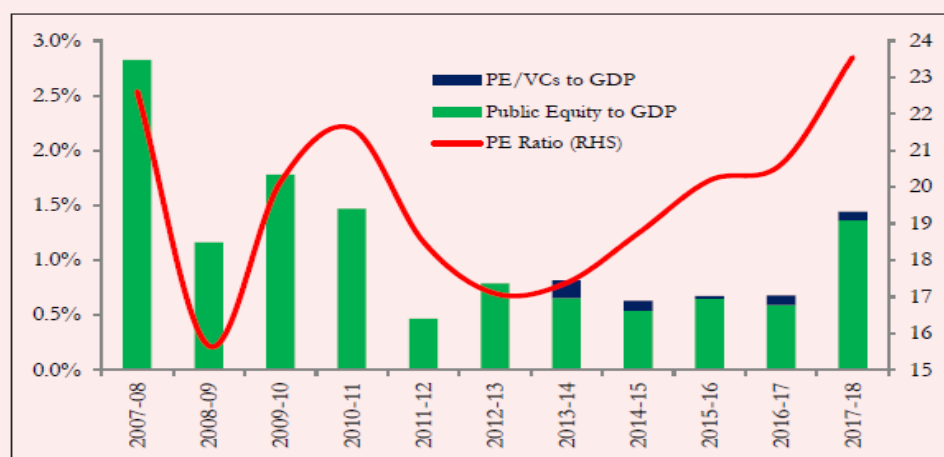
Year	No. of Issues (Public)	Value (Rs. Crore)		
		Total Public	Private	Total
2007-08	722	140,844	-	140,844
2008-09	677	65,439	-	65,439
2009-10	483	115,270	-	115,270
2010-11	504	114,529	-	114,529
2011-12	378	40,729	-	40,729
2012-13	514	78,408	-	78,408
2013-14	483	73,575	17,909	91,484
2014-15	534	67,151	11,348	78,499
2015-16	444	88,558	3,657	92,215
2016-17	540	89,994	12,952	102,946
2017-18 (8 months)	425	144,529	8,390	152,919

Source: RBI, SEBI and previous Economic Surveys. Public includes Public Issues (IPO), Rights Issues, Qualified Institutional Placement (QIP), Preference Issues, Follow-On Public Offer (FPO), and Institutional Placement Program (IPP). Private includes private equity and venture capital.

How do these magnitudes compare with the previous periods of stock market euphoria? Figure 1 illustrates total capital raised—through public and private placements—over the last decade as a percent of GDP to make the temporal comparison accurate. The red line depicts the price-earnings ratio.

The green bars show that capital raising this year has picked up substantially but remains below levels reached in 2007-08, the peak of the previous boom despite the fact that the cost of capital is at similarly low levels: a price-earnings ratio of 25 implies equity costs of roughly 4 percent (Figure).

Figure. Capital Raising (in percent of GDP)



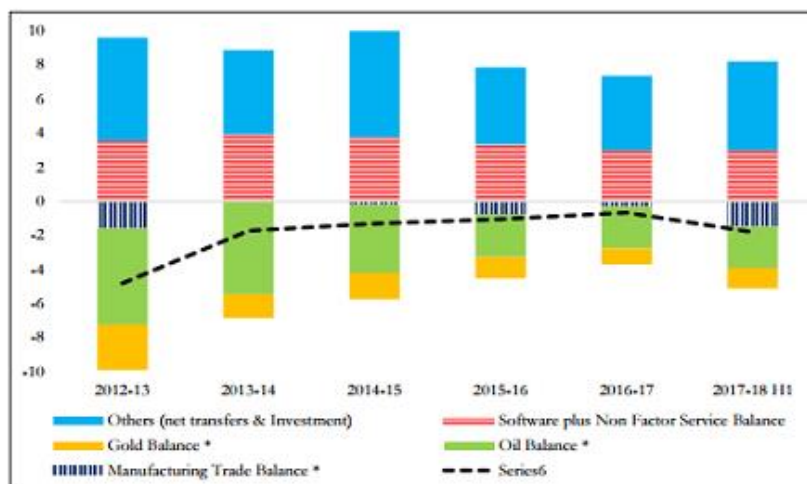
Source: RBI, BSE, past Economic Surveys.

Of course, there has been a similar experience in the US (of limited public offerings) but there is one crucial difference: the US private corporate sector is stashed with cash because of high profits and weak investment opportunities. Firms face a capital feast not famine. But this is not the case in India, as firms face significant capital needs, arising from low levels of profit and cash, and high leverage (debt-to-equity) ratios. That is the puzzle.

Some have argued that firms have stepped up their capital raising significantly, but not through public issues; they have instead tapped private equity (PE), venture capital (VC), and mergers and acquisitions (M&A). But Figure 1 which includes private capital (blue shaded bars) shows that while these have indeed gone up, they do not significantly alter overall magnitudes.

In sum, Figure 1 shows that the traditionally strong correlation between the P/E ratio and total capital raised has weakened. One possible implication is that while firms' assessments of growth and investment prospects have improved, they still remain subdued.

Figure 25. Current Account Balance (in percent of GDP)



Source: RBI, Survey calculations; * - Based on Customs data.

Fiscal developments

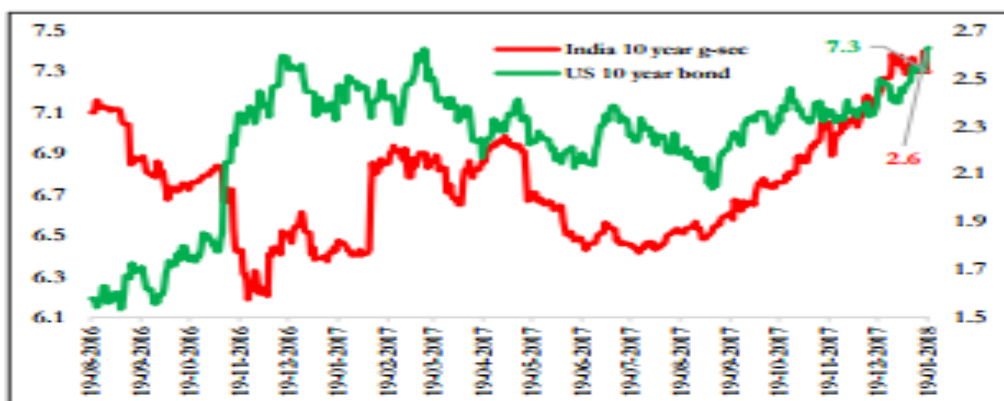
Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in 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. Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-

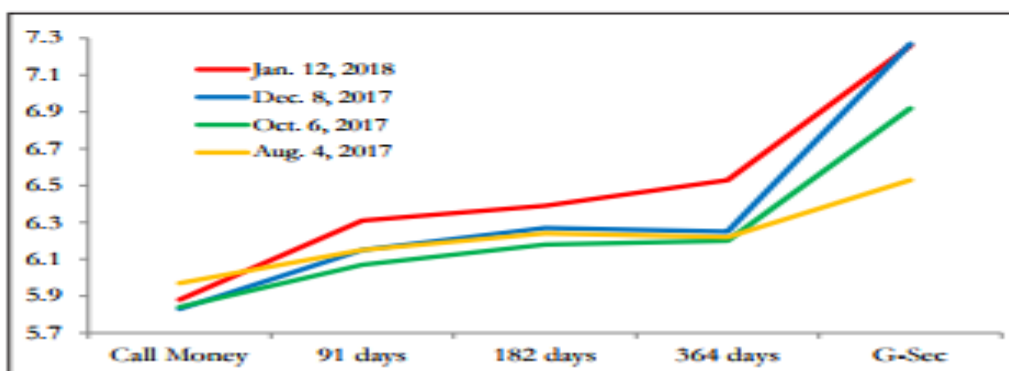
18 over the previous seven-years' average buoyancy, yields an estimate of about Rs. 65,000 crores (both exclude the 25,000 crores collected under the Income Disclosure Scheme and Pradhan Mantri GaribKalyaan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between 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 center has guaranteed them a large increase in their indirect tax take, as part of the GST agreement. Reflecting largely fiscal developments at the center, 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.

Figure 26. 10-year G-sec Yields : India and US



Source: Bloomberg; RBI.

Figure 27. Yield Curve



Source: Bloomberg; RBI, Survey calculations.

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: http://mofapp.nic.in:8080/economicsurvey/pdf/001-031_Chapter_01_ENGLISH_Vol_01_2017-18.pdf) (<http://www.indiabudget.gov.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.

Box 8. Do Government Market Borrowings Reflect the Underlying Fiscal Deficit?

Since late July 2017, interest rates on 10-year government securities (g-secs) have been climbing steadily, rising from about 6.4 percent to 7.3 percent on January 1, 2018. Over that period, the outlook for policy rates has deteriorated as the RBI has shifted from rate-cutting to a more hawkish stance. But this shift would not seem to warrant a nearly 1 percentage point increase in long-term rates. Neither would the changes in international rates, which have only increased modestly. So, what explains the sudden rise in g-sec rates?

The key factor seems to be financial market concerns that government issuances of g-secs will be greater than earlier anticipated. Certainly, concerns that fiscal deficits of the general (central and state) government might be larger than targeted are real. But even if fiscal over-runs do occur, this does not automatically mean that market borrowings will be greater than anticipated; put differently, market borrowings do not necessarily reflect the underlying fiscal deficit. That's because in India market borrowings are determined not just by the fiscal deficits but also by a distinctively Indian arrangement, the National Small Savings Fund (NSSF).

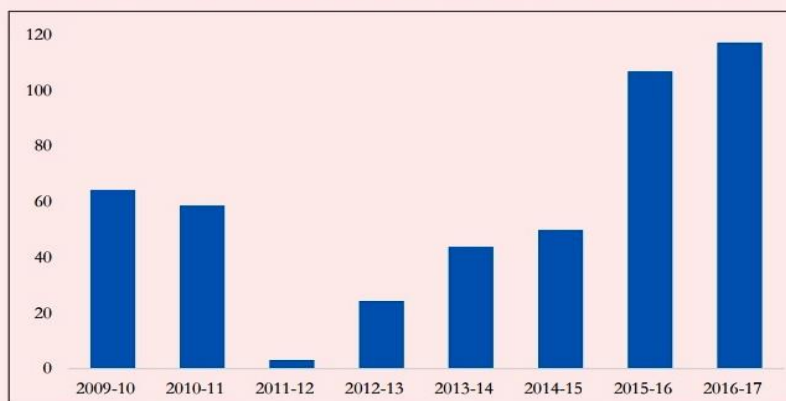
Essentially, the government gets deposits from the public—independent of its deficit-induced borrowings—in the form of various savings schemes to the public, encompassed in the NSSF. Currently, these schemes offer above-market rates, risk-free investment options, and favorable tax breaks, both at the time of deposit and withdrawal, not available in most regular savings schemes. The *Economic Survey* of 2015-16 had estimated the magnitude of the implicit subsidies to small savers under the NSSF. But what is relevant here is that the flows into the NSSF are autonomous, determined by their perceived attractiveness, rather than the size of the fiscal deficits. The following identity captures the idea.

$$\text{Net Market Borrowings} = \text{Fiscal Deficit} - \text{NSSF net flows}^5$$

If NSSF net flows increase, for any given fiscal deficit, market borrowings should decline; and vice versa. Market borrowings and hence the supply of g-secs are endogenous to these autonomous flows. So it's perfectly possible for market borrowing to increase, even when the fiscal deficit decreases or remains constant.

Net NSSF flows are large, amounting to Rs. 1.2 lakh crore in 2016-17 as Chart 1 shows, representing about 24 percent of that year's central government deficit.⁶ In 2017-18, they could be larger still. Part of the reason is that an NSSF saving rates have fallen much more slowly than market rates (especially on deposits), while the income tax exemption limit for NSSF saving has been increased to Rs. 1.5 lakh under section 80C of the Income Tax Act.

Chart 1. Annual NSSF Flow (Net, Rs. thousand crore)



Source: Central Government budget documents, Survey calculations.

At the level of the central government, these additional flows have been so robust that the reliance on market borrowings has declined. For example, in 2016-17 central government market borrowings declined by about Rs. 90,000 crores even though the fiscal deficit remained broadly flat in rupee terms.⁷ As a result, as Figure 2 shows, market borrowings have declined by 1.7 percent of GDP since 2013-14, even though the fiscal deficit has declined by only 1 percent of GDP.

⁵ Here NSSF includes net flows into other public accounts such as state provident funds and advances and deposits.

⁶ The Fourteenth Finance Commission (FFC) had given an option to the states to opt out of NSSF financing.

⁷ Net market borrowing includes amounts under Major Head 6003, excluding securities to the NSSF and securities to international institutions.

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.

At the level of the state governments, the converse has been true. The states have chosen to reduce their reliance on the NSSF in order to reduce their borrowing cost (market rates are substantially lower than NSSF rates). But the consequence has been to increase market borrowings. In 2016-17, market borrowings increased by about Rs. 83,000 crores even though the combined state government deficit increased by only around Rs. 47,000 crores, with the rest expected to go towards repayment of NSSF liabilities. Put another way, market borrowings increased by 0.2 percent of GDP more than the fiscal deficit. (Figure 3).

Chart 2. Central Government Market Borrowing and Fiscal Deficit (In percent of GDP)

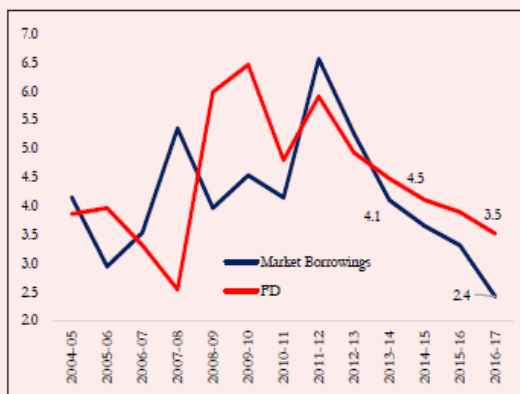
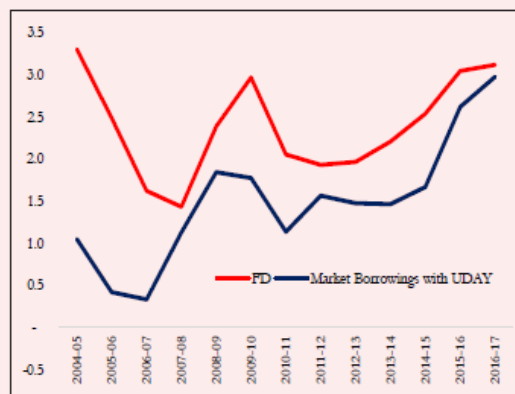


Chart 3. State Government Market Borrowing and Fiscal Deficit (In percent of GDP)



Source: Central and States government budget documents, Survey calculations.

A final point is worth mentioning. Exogenous flows into the NSSF sometimes do not get fully offset by reductions in market borrowings and instead get reflected in accumulation of government cash balances or used for financing other government operations. In such a case, changes in liabilities will be at variance with fiscal deficit estimates. Similarly, some off-balance sheet transactions will add to government liabilities but not to the measured deficit.

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 delays, so too will the return of the private capex cycle. And if this happens, 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, as forecasted 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 require 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.

Box 9 : Understanding the Stock Market Boom: Is India Different?

Over the past two fiscal years, the Indian stock market has soared, outperforming many other major markets. As Figure 1 shows, since end-December 2015, the S&P index has surged 45 percent, while the Sensex has surged 46 percent in rupee terms and 52 percent in dollar terms. This has led to a convergence in the price-earnings ratios of the Indian stock market to that of the US at a lofty level of about 26 (Figure 2). Yet over this period the Indian and US economies have been following different paths. So what explains the sudden convergence in stock markets?

Figure 1. US and India Stock Market Performance, Dec. 2015-Jan. 2018

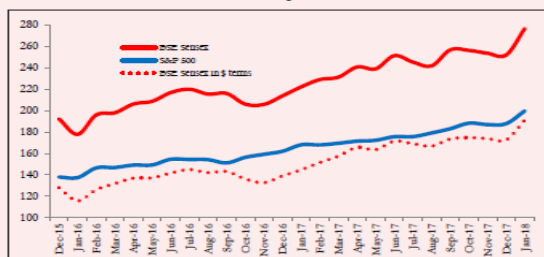
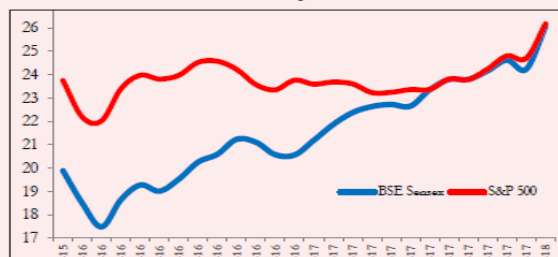


Figure 2. US and India Price-Earnings Ratios, Dec. 2015-Jan. 2018



Source: BSE, Yahoo finance, Survey Calculations.

The paths of the Indian and US economies have differed in three striking ways:

- The stock market surge in India has coincided with a deceleration in economic growth, whereas US growth has accelerated (Figure 3).
- India's current corporate earnings/GDP ratio has been sliding since the Global Financial Crisis, falling to just 3½ percent, while profits in the US have remained a healthy 9 percent of GDP (Figure 4). Moreover, the recently legislated tax cuts in the US are likely to increase post-tax earnings.
- Critically, real interest rates have diverged substantially. Rates in the US have persisted at negative levels, while those in India have risen to historically high levels. Over the period of the boom, US real rates have averaged -1.0 percent, compared to India's 2.2 percent, a difference of 3.2 percentage points (Figure 5).

Figure 3: US and India, Real GDP Growth end-Dec. 2015-end-Dec. 2017

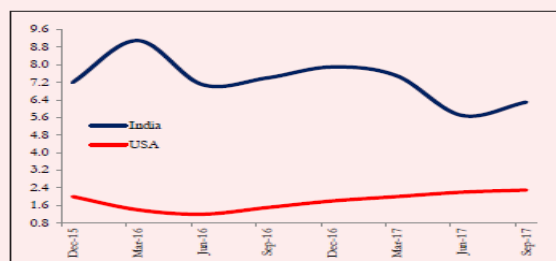
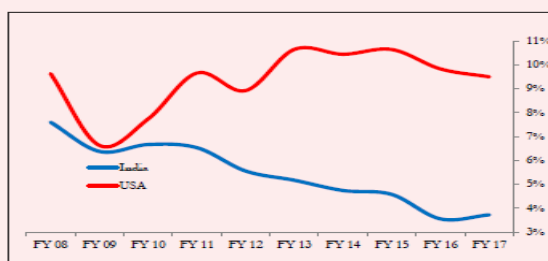


Figure 4. US and India Corporate Profits (% of GDP)

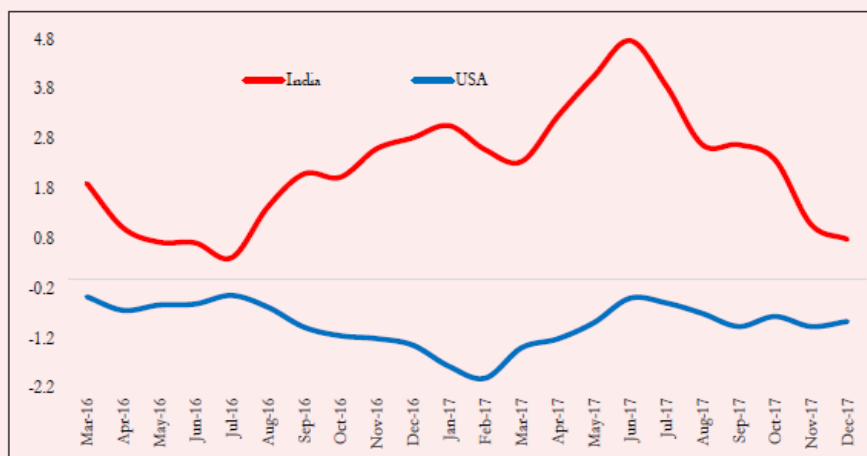


Source: RBI, Survey calculations.

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.

Figure 5: Real Interest Rate: India & US



Source : Survey Calculations.

What, then, explains the stock market convergence? Two factors seem to be at work. First, expectations of earnings growth are much higher in India. Indeed, it was such expectations that lie at the origin of the stock market boom. In early 2016-17, signs emerged that the long slide in the corporate profits/GDP ratio might finally be coming to an end. Investors reacted to this news with alacrity, bidding up share prices in anticipation of a recovery they hoped lay just ahead. Accordingly, the ratio of prices to current earnings rose sharply.

By 2017-18 signs began to accumulate that the profit recovery was not obviously around the corner. But at that point a second factor gave the market further impetus. That factor was demonetisation.

The price of an asset is not solely determined by the expected return on that asset. It is also determined by the returns available on other assets. As pointed out in last year's *Economic Survey*, the government's campaign against illicit wealth over the past few years—exemplified by demonetisation—has in effect imposed a tax on certain activities, specifically the holding of cash, property, or gold. Cash transactions have been regulated; reporting requirements for the acquisition of gold and property have been stiffened. In addition, rupee returns to holding gold have plunged since mid-2016, turning negative since mid-2017 (Figure 7). In addition, previously, stock prices had suffered because reporting requirements were higher on shares than purchases of other asset. But the attack on illicit wealth has helped to level the playing field.

All of this has caused investors to re-evaluate the attractiveness of stocks. Investors have accordingly reallocated their portfolios toward shares, with inflows through stock mutual funds, in particular, amounting in 2016-17 to five times their previous year's level (Figure 8). Accordingly the equity risk premium (ERP, the extra return required on shares compared with other assets) has fallen (Figure 9).⁸

Does this imply that Indian P/E ratios have reached a higher "new normal"? Perhaps. It's possible that the portfolio shift set in train by the campaign against illicit wealth will result in a sustained reduction in the ERP. But it is worth recalling that a similar assessment was made in the US after its ERP fell sharply in the late 1990s-early 2000s. A few years later, the technology bubble collapsed, then the Global Financial Crisis occurred. The ERP surged to new heights and still hasn't reverted to its previous trough.

Beyond ERPs, sustaining current stock valuations in India also requires future earnings performance to rise to meet still-high expectations. And this outlook, in turn, depends on whether a significant economic rebound is this time well and truly around the corner.

⁸ Equity Risk Premium (ERP) has been calculated using Ashwath Damodaran's model ("Equity Risk Premium (ERP): Determinants, Estimation and Implications – The 2017 Edition", Stern School of Business) for the US. The net present value of the future cash flows from owning the portfolio of stocks has been calculated by dividing the future stream into two periods: an initial period of high growth for first five years followed by a second (infinite) period of steady-state growth rate. The cash flows are assumed to come from dividend payout or buyback of the stocks. Whenever ERP equals the NPV, the current stock price is equal to 0. For India, the initial period nominal growth rate is taken as 12 percent, and the steady state is a 5 years-moving average of past growth. For the USA, initial period nominal growth rate is taken as 5 percent. The India dividend payout is assumed to be 70 %.

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: (http://mofapp.nic.in:8080/economicsurvey/pdf/001-031_Chapter_01_ENGLISH_Vol_01_2017-18.pdf) (<http://www.indiabudget.gov.in/>)

LED MARKET OUTLOOK

According to the latest report from LEDinside, a division of the market research firm TrendForce, 2018 Light LED and LED Lighting Market Outlook, LED lighting market scale will achieve USD 32.72 billion in 2018 and will reach USD 33.3 billion in 2019 when lighting that can be replaced enter the period of saturation, while industrial, architectural and landscape, outdoor and special commercial lighting will keep on developing.

According to LEDinside survey on global installed LED lighting market, the quantity of installed LED lighting products replacing traditional lights increased rapidly. The LED lighting penetration in 2017 is 22% and it is expected to reach 63% in 2022. CAGR of installed LED lighting products will be 26% during 2017 to 2022.

Lighting **LED** Market Value is Expected to 7.16 Billion in 2018

The lighting LED market value increased more than 10% YoY in 2017, and is expected to grow about 7.8% in 2018, reaching USD 7.16 billion. But it will suffer decrease and enter recession period after 2020. The retrofit lamps like bulb and tube have been saturated, while the industrial lighting products including high/low bay and the commercial lighting products like troffer, panel light and filament lamp still achieve CAGR of 30%. The overall CAGR of lighting LED will reach 4% during 2016-2021. Quality of light is still the one of the market attentions. High-CRI LED refers to the LED products with CRI higher than 90, mostly applied to high-end commercial lighting market like museum lighting, retail lighting and food lighting which has strict requirement on quality of light. High-CRI LED takes up small market share at present, and its global market scale in 2017 is around USD 330 million. As the market demand increases in next few years and the package technology improve, the revenue is expected to achieve rapid growth.

Top Three Driving Forces for Global LED Lighting Market Trend

Driving Force One: Smart Lighting - The global smart lighting rapidly develops in 2017, and its market scale approximates to USD 4.6 billion, increased 95% YoY, as the technology & products mature and the product concepts become popular, the market scale is expected to reach USD 13.4 billion in 2020. Industrial and commercial lighting are the largest application fields of smart lighting,

due to its digitalization, smart lighting will bring more new business model and value growth point for these two fields.

Driving Force Two: Niche Lighting—LED inside surveyed four niche lighting market segment, including horticulture lighting, healthcare lighting, fishing lighting, and marine lighting and harbor lighting. Amongst those, Horticulture lighting grow rapidly in the US and China, which is mainly promoted by the demand for plant factory construction and greenhouse lighting.

Driving Force Three: Lighting in Emerging Countries - The economic development of emerging countries promotes infrastructure construction and enhances urbanization; the construction of large-scale commercial facilities and infrastructure and industrial economic zone stimulate LED lighting needs. Besides, the energy-saving policies including energy subsidies, tax incentives announced by national and local governments, the large-scale bidding projects like street lighting, residents and business district renovation and the improvement of lighting products standard certification contribute to the promotion of LED lighting. Amongst those, lighting market demand grows fast in Vietnam in Southeast Asia and India.

Source:

https://www.ledinside.com/intelligence/2017/11/ledinside_smart_lighting_niche_lighting_and_lighting_in_emerging_countries_are_top_three_driving_forces_for_global_led_lighting

INDIAN POWER SECTOR

Introduction

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner.

India has moved up 73 spots to rank 26th in the World Bank's list of electricity accessibility in 2017, according to Mr Piyush Goyal, Minister of State (Independent Charge) for Power, Coal, Renewable Energy and Mines, Government of India.

In September 2017, the Government of India launched the Saubhagya scheme to provide electricity connections to over 40 million families in rural and urban areas by December 2018 at a cost of US\$ 2.5 billion.

Market Size

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

Total installed capacity of power stations in India stood at 334,146.91 Megawatt (MW) as on February, 2018. The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy.

The Indian solar industry has installed a total of 2,247 megawatts (MW) in the third quarter of 2017, from 1,947 MW in the second quarter of 2017. The cumulative installed capacity reached 7,149 MW in the first nine months of 2017, covering more than one-third of total new power capacity addition in 2017.

Two under-construction hydro projects of NHPC in Himachal Pradesh and Jammu & Kashmir (J&K), expected to be commissioned in 2018, will produce 4,458.69 million units of additional power, according to the Ministry of Power, Government of India.

The total estimated potential of tidal energy in India is about 8,000 megawatt (MW), of which 7,000 MW is in the Gulf of Khambhat, 1,200 MW is in the Gulf of Kutch and 100 MW in the Gangetic Delta. The number of small hydro power projects set up in India stood at 1,085 with total installed capacity of 4,399.355 megawatt (MW) as of November 30, 2017.

Investment Scenario

Around 293 global and domestic companies have committed to generate 266 GW of solar, wind, mini-hydel and biomass-based power in India over the next 5–10 years. The initiative would entail an investment of about US\$ 310–350 billion.

Between April 2000 and September 2017, the industry attracted US\$ 12.3 billion in Foreign Direct Investment (FDI), accounting for 3.44 per cent of total FDI inflows in India. Some major investments and developments in the Indian power sector are as follows:

- Energy Efficiency Services Ltd (EESL) has raised US\$ 454 million from Global Environment Facility (GEF) for its energy-efficiency projects in an attempt to boost India's move towards becoming a low carbon economy.
- IL&FS Financial Services Ltd has partnered with Jammu and Kashmir (J&K) Bank Ltd to finance nine hydropower projects in J&K with a total capacity of 2,000 MW, which require financing of around Rs 20,000 crore (US\$ 3.12 billion).
- Sterlite Power has won one of the largest 1,800 km power transmission projects worth US\$ 800 million in Brazil, the company's third project in Brazil and the largest ever project won by an Indian company in Latin America.

- With the aim of giving a boost to renewable energy, the State Bank of India (SBI) and the World Bank have decided to sanction credit worth Rs 2,317 crore (US\$ 356.82 million) to seven corporates towards solar rooftop projects to generate a total of 575 megawatt (MW) of solar energy.
- India added 467 MW of grid interactive wind power capacity between January-November 2017, while wind power projects with cumulative capacity of 9,500 MW are expected to be bid out by March 2018, according to Mr R K Singh, Minister of State (Independent Charge) for Power and New & Renewable Energy, Government of India.
- A total of 26.3 million households which are below poverty line (BPL) have been electrified under the Rural Electrification component of DeenDayal Upadhyay Gram Jyoti Yojana (DDUGJY), according to the Ministry of Power, Government of India.
- In April 2018 ReNew Power made the largest M&A deal by acquiring Ostro Energy for US\$ 1,668.21 million.

Government Initiatives

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

- "Saubhagya Yojana" programme was launched by Mr. Raghubar Das, Chief Minister, Jharkhand to provide electricity to all 29,376 villages.
- The companies within the solar power industry in India, specifically the ones involved in the operation and maintenance (O&M) of solar power plants have welcomed the Government of India's move to introduce regulations for operating drones by February 2017.
- Over 280 million LED bulbs were distributed to consumers in India by Energy Efficiency Services Limited (EESL) under Unnati Jyoti by Affordable LEDs for All (UJALA) as on December 19, 2017 and 524.3 million LED bulbs were sold by private players till October 2017.
- In order to lower India's crude oil imports, the Government of India is going to promote coal gasification to convert high ash coal into methanol that can be used as cooking gas and transportation fuels^, according to Mr V K Saraswat, Member of NITI Aayog.
- Initiatives taken by the Energy Efficiency Services (EESL) have resulted in energy savings of 37 billion kWh and reduction in greenhouse gas (GHG) emissions by 30 million tonnes.
- The Union and state governments have agreed to implement the Direct Benefit Transfer (DBT) scheme in the electricity sector for better targeting of subsidies, according to Mr Raj Kumar Singh, Minister of State for Power (Independent Charge).
- All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019, stated Mr Raj Kumar Singh, Union Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- Uttar Pradesh Electricity Regulatory Commission, regulator of power sector in Uttar Pradesh, has approved several steps to strengthen the financial position of state utilities and increase opportunities for companies in the transmission and distribution (T&D) EPC business.
- The Department of Economic Affairs, Government of India, signed a guarantee agreement for IBRD/CTF loan worth US\$ 98 million and grant agreement for US\$ 2 million with the World Bank for 'shared infrastructure for solar parks project'.
-

The Road Ahead

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

Coal-based power generation capacity in India, which currently stands at 192 GW is expected to reach 330-441 GW by 2040.

The 2026 forecast for India's non-hydro renewable energy capacity has been increased to 155 GW from 130 GW on the back of more than expected solar installation rates and successful wind energy auctions#.

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

India's installed solar power capacity reached 14,771.69 as of September 2017.

The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. A total of 16,064 villages out of 18,452 un-electrified villages in India have been electrified up to December 2017 as part of the target to electrify all villages by May 1, 2018.

The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

(Exchange Rate Used: INR 1 = US\$ 0.015 as on January 04, 2018)

Source: <https://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzc5NDImOTew>

HISTORY OF LED LIGHTS

Electroluminescence as a phenomenon was discovered in 1907 by the British experimenter H. J. Round of Marconi Labs, using a crystal of silicon carbide and a cat's-whisker detector. Russian inventor Oleg Losev reported creation of the first LED in 1927. His research was distributed in Soviet, German and British scientific journals, but no practical use was made of the discovery for several decades. In 1936, Georges Destriau observed Electroluminescence could be produced when zinc sulphide (ZnS) powder is suspended in an insulator and an alternating electrical field is applied to it. In his publications, Destriau often referred to luminescence as Losev-Light. Destriau worked in the laboratories of Madame Marie Curie, also an early pioneer in the field of luminescence with research on radium. Kurt Lehovec, Carl Accardo, and Edward Jamgochian explained these first light-emitting diodes in 1951 using an apparatus employing SiC crystals with a current source of

battery or pulse generator and with a comparison to a variant, pure, crystal in 1953. Rubin Braunstein of the Radio Corporation of America reported on infrared emission from gallium arsenide (GaAs) and other semiconductor alloys in 1955. Braunstein observed infrared emission generated by simple diode structures using gallium antimonide (GaSb), GaAs, indium phosphide (InP), and silicon-germanium (SiGe) alloys at room temperature and at 77 Kelvin.

In 1957, Braunstein further demonstrated that the rudimentary devices could be used for non-radio communication across a short distance. As noted by Kroemer Braunstein "...had set up a simple optical communications link: Music emerging from a record player was used via suitable electronics to modulate the forward current of a GaAs diode. The emitted light was detected by a PbS diode some distance away. This signal was fed into an audio amplifier and played back by a loudspeaker. Intercepting the beam stopped the music. We had a great deal of fun playing with this setup." This setup presaged the use of LEDs for optical communication applications. In September 1961, while working at Texas Instruments in Dallas, Texas, James R. Biard and Gary Pittman discovered near-infrared (900 nm) light emission from a tunnel diode they had constructed on a GaAs substrate. By October 1961, they had demonstrated efficient light emission and signal coupling between a GaAs p-n junction light emitter and an electrically-isolated semiconductor photodetector. On August 8, 1962, Biard and Pittman filed a patent titled "Semiconductor Radiant Diode" based on their findings, which described a zinc diffused p-n junction LED with a spaced cathode contact to allow for efficient emission of infrared light under forward bias. After establishing the priority of their work based on engineering notebooks predating submissions from G.E. Labs, RCA Research Labs, IBM Research Labs, Bell Labs, and Lincoln Lab at MIT, the U.S. patent office issued the two inventors the patent for the GaAs infrared (IR) light-emitting diode (U.S. Patent US3293513), the first practical LED. Immediately after filing the patent, Texas Instruments (TI) began a project to manufacture infrared diodes. In October 1962, TI announced the first commercial LED product (the SNX-100), which employed a pure GaAs crystal to emit a 890 nm light output. In October 1963, TI announced the first commercial hemispherical LED, the SNX-110.

The first visible-spectrum (red) LED was developed in 1962 by Nick Holonyak, Jr. while working at General Electric. Holonyak first reported his LED in the journal *Applied Physics Letters* on December 1, 1962. M. George Craford, a former graduate student of Holonyak, invented the first yellow LED and improved the brightness of red and red-orange LEDs by a factor of ten in 1972. In 1976, T. P. Pearsall created the first high-brightness, high-efficiency LEDs for optical fiber telecommunications by inventing new semiconductor materials specifically adapted to optical fiber transmission wavelengths.

Initial commercial development

The first commercial LEDs were commonly used as replacements for incandescent and neon indicator lamps, and in seven-segment displays, first in expensive equipment such as laboratory and electronics test equipment, then later in such appliances as TVs, radios, telephones, calculators, as well as watches (see list of signal uses). Until 1968, visible and infrared LEDs were extremely costly, in the order of US\$200 per unit, and so had little practical use. The Monsanto Company was the first organization to mass-produce visible LEDs, using gallium arsenide phosphide (GaAsP) in 1968 to produce red LEDs suitable for indicators. Hewlett-Packard (HP) introduced LEDs in 1968, initially using GaAsP supplied by Monsanto. These red LEDs were bright enough only for use as indicators, as the light output was not enough to illuminate an area. Readouts in calculators were so small that plastic lenses were built over each digit to make them legible. Later, other colours became widely

available and appeared in appliances and equipment. In the 1970s commercially successful LED devices at less than five cents each were produced by Fairchild Optoelectronics. These devices employed compound semiconductor chips fabricated with the planar process invented by Dr. Jean Hoerni at Fairchild Semiconductor. The combination of planar processing for chip fabrication and innovative packaging methods enabled the team at Fairchild led by optoelectronics pioneer Thomas Brandt to achieve the needed cost reductions. LED producers continue to use these methods.

Most LEDs were made in the very common 5 mm T1¾ and 3 mm T1 packages, but with rising power output, it has grown increasingly necessary to shed excess heat to maintain reliability, so more complex packages have been adapted for efficient heat dissipation. Packages for state-of-the-art high-power LEDs bear little resemblance to early LEDs.

Source: https://en.wikipedia.org/wiki/Light-emitting_diode#History

BENEFITS OF LED LIGHTS

Benefit 1: Long Lifetime

LED bulbs have an operational lifetime expectation of up to 11 years of continuous operation, or 22 years at 50% operation. If you leave a LED fixture on for 8 hours per day it would take around 20 years before you'd have to replace the LED bulb. Lighting diodes emit lower output levels over a very long period of time and become less bright, while LEDs maintain their original brightness throughout their lifespan.

Benefit 2: Efficiency

LEDs use less power, with an estimated energy efficiency of 80%-90% when compared to traditional lighting and conventional light bulbs. Because of the long lifespan of LED lights, the maintenance work is significantly less, meaning you'll see big energy savings.

Benefit 3: Eco-Friendly

LED lights contain no toxic materials and are 100% recyclable; they'll help you reduce your carbon footprint. One LED light bulb can save material and production of 25 incandescent light bulbs.

Benefit 4: Durability

Because LEDs are not made of glass and are hollow inside, they are much more durable and able to withstand harsh conditions. This makes LEDs perfect for outdoor lighting systems where they may be exposed to extreme weather conditions. They even work for freezer rooms and iceboxes.

Benefit 5: No Heat

Unlike incandescent and fluorescent bulbs, LEDs are easy to the touch even after they are on for hours so they carry less risk of causing an accidental fire or burn.

Benefit 6: No Emissions

LED illumination produces little infrared light and close to no UV emissions. Because of this, LED lighting is highly suitable not only for goods and materials that are sensitive to heat, but also for illumination of UV-sensitive objects or materials from artwork in museums to plastics in a kitchen.

Benefit 7: “Dimmability”

LEDs can be dimmed, resulting in a dynamic control of light, color, flexibility, and distribution. Well-designed LED illumination systems can achieve fantastic lighting effects, not only for the eye but also for the mood. LED mood illumination is already being used in airplanes, classrooms and many more locations.

Benefit 8: Light Disbursement

LED is designed to focus its light and can be directed to a specific location without the use of an external reflector, achieving higher application efficiency than conventional lighting. Well-designed LED illumination systems are able to deliver light more efficiently to the desired location.

Benefit 9: Instant Lighting

LEDs provide instant light and illumination; they brighten up when powered on, which has great advantages for infrastructure projects such as traffic and signal lights. In contrast, fluorescent lights don't provide optimum illumination levels until they run for a few minutes.

Benefit 10: Frequent Switching

LED lights can switch off and on frequently and without affecting the LED's lifetime or light emission, unlike traditional lighting that may take several seconds to reach full brightness. Also, frequent on/off switching of traditional bulbs drastically reduces operational life expectancy.

Benefit 11: Low-Voltage

A low-voltage power supply is sufficient for LED illumination, making it easy to use LED lighting in outdoor settings by connecting an external solar-energy source. This is a major advantage to using LED technology in remote or rural areas.

Benefit 12: Long-Term Cost

LEDs are still more expensive than fluorescent and compact fluorescent lights, their price continues to drop, which provides huge long-term savings. While incandescent lights last for 800 to 1500 hours, and fluorescent lights last up to 10,000 hours, LEDs can last up to a whopping 60,000 hours. Fewer replacements mean substantial savings.

Benefit 13: Short-Term Cost

LED price have dropped significantly. If you used a bulb for just 2 hours a day and paid the national average of \$0.115 per kilowatt-hour, a single 12-watt LED will cost you about \$1.00/year. Comparable CFLs that consume about 14 watts come to \$1.17/year and about \$5.00/year for 60-watt incandescent in that scenario.

Benefit 14: Noise

Fluorescent tubes are notoriously noisy, especially if they have been used for an extended amount of time, which can be distracting. They tend to give off clicking sounds intermittently, but most annoyingly, they can produce a low buzzing sound. LEDs do not have this problem and operate silently with no annoying flickering noises.

Benefit 15: Color

Fluorescent lights are infamous for their color profile, as most produce only a cold blue/white light, which is stark and unwelcoming. LEDs instead provide a range of different colours for different purposes and needs, adaptable for almost any environment or lighting situation.

Source: <https://www.greateasternenergy.com/energyblog/15-benefits-led-lighting/>

INDIA LED LIGHTING INDUSTRY: POISED FOR GROWTH

The Indian LED lighting industry is expected to grow tremendously, even over the long term, on account of the demand for a smart, connected lifestyle and for energy-efficient products.

The lighting market in India is evolving rapidly, moving from using conventional products to LEDs. This transition is driven by an increasing number of government initiatives for energy conservation, rising consumer awareness about energy-efficient products, and innovative products offered by the industry that are in sync with the overall trend of digitization. This evolution indicates a tectonic shift in technology from electrical to electronics. In turn, this may represent a significant growth opportunity for companies offering electronic hardware/components and solutions used in LED lighting. This move to LEDs will also benefit prototype designers, electronics manufacturing services (EMS) providers and original equipment manufacturers (OEMs).

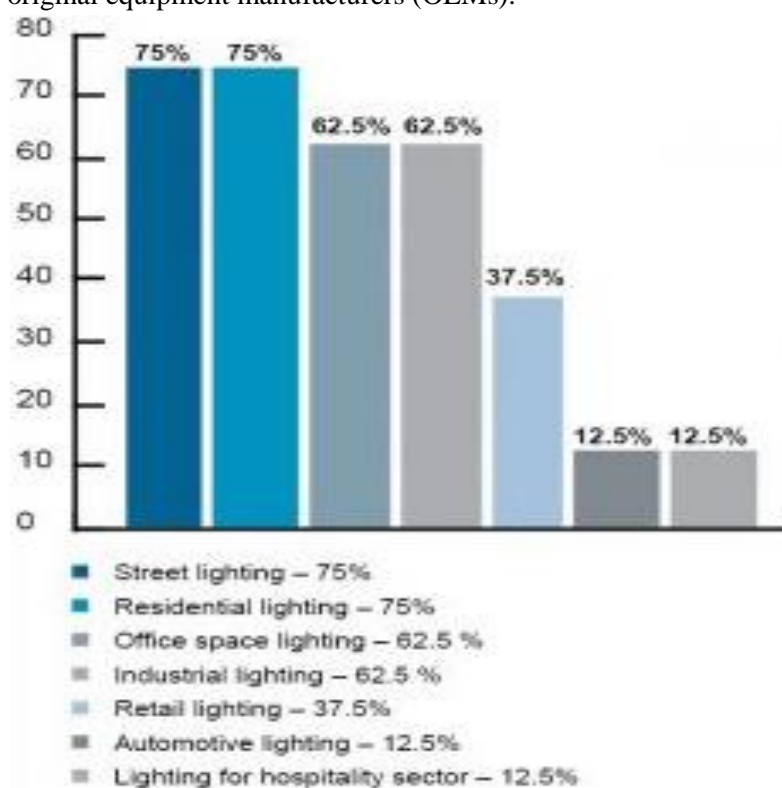


Figure 1: Forecast on major demand generating applications. The figures denote the percentage of survey participants who feel a particular sector will be a major driver of demand for LED lighting.

Market at a glance

India, being the second most populous country in the world and fifth major electricity consumer, has been experiencing an ever-widening demand-supply gap in electricity. Consequently, the market for energy-efficient products such as LED lights is bound to grow. All the survey participants felt that the moderately-growing lighting industry will now move at a faster pace, as the government is encouraging the use of LED lights in a big way. Other drivers are the Smart Cities project, and the increasing demand for a smart, connected lifestyle and energy-efficiency measures. According to a report by TechSci (a global research-based consulting firm), the LED lighting market in India is projected to register a CAGR of over 30 per cent during 2016-2021. The Electric Lamp and Component Manufacturers Association of India (ELCOMA) shares that the LED market in India is

expected to grow to ₹ 216 billion by 2020. This leap will result in the LED market accounting for about 60 per cent of India's total lighting industry (approximately ₹ 376 billion) in 2020. The key factors that are expected to boost the market include falling LED prices coupled with favourable government initiatives that provide LED lights at a subsidized cost and promote LED street lighting projects. Moreover, rising consumer awareness about the cost-effectiveness, enhanced life, better efficiency and inherent eco-friendly nature of LED lights will continue to drive volume sales from the industrial, residential and commercial sectors.

Government facilitating wide scale implementation of LED lighting

According to a Press Information Bureau (PIB) announcement, by 2019, 770 million LED bulbs and 35 million LED streetlights will be deployed to replace conventional lights. Under the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), 27.3 million LED bulbs have to be distributed to BPL households. Over 2.1 million conventional streetlights have already been replaced with LED streetlights across the country, under the Street Lighting National Programme (SLNP). Energy Efficiency Services Limited (EESL), a public energy service company under the administration of the Ministry of Power, government of India (GoI) is the implementing agency for SLNP. The installation of LED streetlights has resulted in annual energy savings of 295 million kWh, avoided capacity usage of over 73MW and reduced carbon emissions by 230,000 million tonnes annually. The project has been implemented across 23 states and union territories.

State	Number of streetlights	Energy saved per year (kWh)
Rajasthan	704,891	99,054,808
Andhra Pradesh	586,037	82,352,849
Delhi	264,185	37,124,579
Gujarat	200,536	28,180,321
Goa	94,856	13,329,639

Table 1: Top five states that have replaced conventional streetlights with LED lights (Source: Press Information Bureau)

Current opportunities

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

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

The demand for streetlights is driven by government initiatives, while in residential and office spaces, demand is mainly driven by increasing consumer awareness about energy-efficient products with more functionalities. In industrial areas, LEDs are used in warehouses, manufacturing floors, etc. In

the hazardous work areas across industries, too, most of the new lighting being used is LED based. The demand for LED lighting in India is still mostly driven by its adoption in metro cities, mainly because of better awareness and higher socio-economic growth. However, the demand from Tier-II cities is also expected to grow based on requirements from the street lighting and industrial lighting domains. Currently, though, demand for LED lighting from rural India is still not significant. The government (through EESL) will be implementing the first rural LED street lighting project by retrofitting 1 million conventional streetlights with LED lights in the gram panchayats of seven districts of Andhra Pradesh under the Street Lighting National Project (SLNP). Further expansion of such initiatives across the country will open up new markets for the LED lighting industry.

Source: <https://www.electronicshub2b.com/eb-specials/industry-report/indian-led-lighting-industry-poised-growth/>

PRESS RELEASE

Press Information Bureau

Government of India

Ministry of Power

27-August-2015 19:05 IST

Government of India will replace all street lights of the country with LED bulbs in next 24 months

Government of India will replace all street lights of the country with LED bulbs in next 24 months. This is in line with the Ministry's motto of providing energy efficiency and dependable energy in the country. Under Domestic Efficient Lighting Programme efforts are being made to replace all domestic bulbs into LED said Shri. Piyush Goyal, the Union Minister of State (IC) for Power, Coal and Renewable Energy. Addressing the first Foundation Day Celebrations of the Association of Renewable Energy Agencies of the States (AREAS) in Bengaluru today Shri. Piyush Goyal said that Karnataka should join hands with the Central government in its energy efficiency programmes. Solar Roof Top programme introduced by Government of Karnataka is a learning programme for other states the Minister said. The central government expects Karnataka to be in top five in the implementation of new and renewable energy programmes the minister added. India has the target of producing 1,75,000 MW and Renewable energy in next five years. The government also launched Solar Mission to generate 1 lakh MW solar power in the country. Similarly, wind mission targeted at 75,000 MW power generations. The government has taken this programme as nation's mission. 125 crore people of India should work as 'Team India' in making this programme as a reality the minister said. The minister assured that the Central government will extend all possible help to Karnataka in its ongoing new and renewable energy projects the minister added. Addressing the meet State Energy Minister Shri. D. K Shiv Kumar said that Karnataka has huge potential for hydro projects but water conflicts between states are hindering the developments of these projects. The minister said that the central government should interfere in this issue and help getting clearance for hydro projects for the growth of New and Renewable energy sector. The Union Minister Sri Piyush Goyal presented awards for representatives from 21 states for showing excellence in New and Renewable Energy sector.

Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=126392>

PEST Analysis of LED lighting in India

The PEST analysis is useful to spot business opportunities, direction of business environment changes and entry into new market, by developing an objective view of scenario. The changes in the macro environment can create lot of opportunities as well as threats for any organization/product. New technologies, government policies, funding options, consumer trends etc.; they all affect the market.

1. Political Factors: PM launches scheme for LED bulb distribution in Delhi'- on 5th January 2015, Indian Prime Minister, Sri Narendra Modi launched a 'Prakash Path' scheme for LED bulb distribution under the domestic efficient lighting programme in Delhi; and a national programme for LED-based home and street Lighting. This shows commitment of the Indian government at the highest level.
- Bureau of Energy Efficiency (BEE) India has taken policy initiatives to promote energy efficient lighting. One such example is launching of a nationwide village campaign, in which a demonstration village will be converted from existing incandescent bulbs and street lights to LED lights. This is to showcase the energy savings potential for replication of such projects in other areas. BEE has also prepared Indian standards on LEDs to ensure quality of the products.
 - Frost & Sullivan hosted 4th annual executive congress on LED lighting titled 'leading India's green energy revolution in Delhi. This interactive event brought together industry stakeholders, thought leaders and decision makers to understand relevant issues, patterns of LED industry and help devise collaborative solutions.
 - Indian power ministry released an official statement that BEE and Energy Efficiency Services Limited (EESL) will be working collaboratively with electricity distribution companies (DISCOMs) to supply LED lights at subsidized rates to households. In Andhra Pradesh state, EESL procured two million LEDs under memorandum of understanding with the state, to provide them to 3.7 million households at a subsidized cost of INR 10. In Puducherry state, EESL undertook several projects to install LED street lights and 750,000 LED bulb replacements for households.
 - There are many Energy Service Companies (ESCO) now operating in India. The ESCO business model is a delivery mechanism to promote energy savings potential. ESCO does the assessment of energy savings potential and the risks, and provides upfront capital to fund the project. The payments to ESCO are done based on the achieved energy savings. BEE has empanelled over thirty ESCOs through an accreditation process carried out by CRISIL and ICRA. This procedure gives grading to the ESCO for their technical and financial capability (CRISIL, ICRA, 2008). Indian government has also setup EESL, to work as ESCO as well as resource centre for energy savings projects in India, including lighting.
 - For promoting LED manufacturing facilities in India, the government has reduced import duties and state governments have reduced value added tax (VAT). The Indian government is encouraged in LED direction after successful implementation of the Bachat Lamp Yojana (BLY) for CFL started in the year 2009. Under the BLY scheme, 192 million households were targeted to replace incandescent lamps with energy saving CFL in 400 million light connection points. With an electricity saving potential of 20,000 MW (by 2011), BLY is the largest CO2 reduction 'programme of activity' registered till date with CDM (Clean Development Mechanism)

2. **Economic Factors:** In India, there are around 2 billion lamp sockets in domestic households; out of which, compact florescent tube (CFL) are 500 million. If additional 500 million CFL are put, 1500 MW energy can be saved. It is estimated if all the conventional street lights are replaced by LED lights, there is a potential to save 4,300 million KWh energy. Further, twilight controls, dimming, voltage optimization of LED lights could save additional 15-20% of energy. Therefore, there is a potential of Rs. 2,500 crore energy savings (@ Rs. 5 per KWh) in public lighting alone in India.
3. **Social Factors:** A well illuminated retail outlet encourages people entry, increases ambience, uplifts mood, and plays a pivotal role in generating higher sales. New lighting trends are emerging with LED technology and their usage keeps running and maintenance cost low. Oppl lighting, a Rs. 30 billion Chinese lighting company, having presence in 50 countries, employing 6,000 people, have entered into Indian market in the year 2014. Targeting to achieve the leading position in the Indian market, Indian customers are open to new technology, looking for energy efficient solutions, and hassle-free value for money products. The consumers are becoming aware that the LED lighting saves energy as compared to traditional lights, therefore, the market size is increasing at a growing rate.
4. **Technological Factors:** This factor is clearly in favour of LED lighting. The biggest proof is that the Nobel Prize in physics for the year 2014 was awarded for the invention of efficient blue light-emitting diodes which has enabled bright and energy-saving white light sources. This is especially in view of Indian government's plan to develop 100 smart cities across the country.

Source: [https://www.google.co.in/search?rlz=1C1CHBD_enIN805IN805&q=2.+Economic+Factors:+In+India,+there+are+around+2+billion+lamp+sockets+in+domestic+households;+out+of+which,+compact+fluorescent+tube+\(CFL\)+are+500+million.+If+additional+500+million+CFL+are+put,+1500+MW+energy+can+be+saved.+It+is+estimated+if+all+the+conventional+street+lights+are+replaced+by+LED+lights,+there+is+a+potential+to+save+4,300+million+KWh+energy.+Further,+twilight+controls,+dimming,+voltage+optimization+of+LED+lights+could+save+additional+15-20%+of+energy.+Therefore,+there+is+a+potential+of+Rs.+2,500+crore+energy+savings+\(+Rs.+5+per+KWh\)+in+public+lighting+alone+in+India.&spell=1&sa=X&ved=0ahUKEwiPlfTF_bTdAhWCwLwKHbhLD6oQBQgjKAA&biw=1536&bih=759#](https://www.google.co.in/search?rlz=1C1CHBD_enIN805IN805&q=2.+Economic+Factors:+In+India,+there+are+around+2+billion+lamp+sockets+in+domestic+households;+out+of+which,+compact+fluorescent+tube+(CFL)+are+500+million.+If+additional+500+million+CFL+are+put,+1500+MW+energy+can+be+saved.+It+is+estimated+if+all+the+conventional+street+lights+are+replaced+by+LED+lights,+there+is+a+potential+to+save+4,300+million+KWh+energy.+Further,+twilight+controls,+dimming,+voltage+optimization+of+LED+lights+could+save+additional+15-20%+of+energy.+Therefore,+there+is+a+potential+of+Rs.+2,500+crore+energy+savings+(+Rs.+5+per+KWh)+in+public+lighting+alone+in+India.&spell=1&sa=X&ved=0ahUKEwiPlfTF_bTdAhWCwLwKHbhLD6oQBQgjKAA&biw=1536&bih=759#)

OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 20, 251 and 285 respectively of this Draft Red Herring Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Red Herring Prospectus, all references to “we”, “us”, “our” and “our Company” are to Texaco Synthetics Limited as the case may be.

OVERVIEW

Our company was originally incorporated as “Artemis Electricals Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated October 26, 2009 bearing Corporate Identity Number U51505MH2009PTC196683 issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a Shareholder’s resolution passed on July 25, 2015 the name of our Company was changed to “Artemis Electricals Limited” by issue of a fresh certificate of incorporation by the Registrar of Companies, Mumbai, Maharashtra on August 27, 2015 bearing Corporate Identity Number U51505MH2009PLC196683.

Artemis Electricals Limited is an **ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007** certified Company engaged in the business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. We have obtained a certificate of membership from LACMA (Luminaire, Accessories, Components, Manufacturers Association) vide certificate no: 1017. We manufacture and trade in all sorts of outdoor and indoor LED based lighting solutions such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights, Down lights, Garden lights, pavement / walk through indication lights, etc. Our products are used for illumination and special purposes in a variety of applications for general lighting, in particular architectural, residential, office, industrial, shop, hospitality, and outdoor. Our portfolio includes solutions across the LED luminary spectrum i.e. from the high technology LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our LED drivers are manufactured in a modern facility, mainly using SMD components on an automatic pick-n-place machine. Our company believes in providing high quality products at affordable prices for the mass markets.

Our Company is managed by our promoter Mr. Pravin Kumar Agarwal. He has a decade long experience of working with the Company. Mr. Pravin Kumar Agarwal has been instrumental in the growth of our business. Our corporate promoter is M/s. Yashvikram Infrastructure Private Limited. Artemis with its own manufacturing plant is a preferred partner for Original Equipment Manufacturer “OEM” business clientele for various well-known and established lighting brands in India such as Bajaj Lighting, Crompton Greaves, and Eveready to name a few. We have started developing a distribution network for making “Artemis” as a Brand by providing lighting solutions, available in leading stores all over the country.

With a passion to set high standards for our products, the management has always taken keen interest to innovate and update products as well quality from time to time, taken measures to scale up and deliver the best quality products efficiently. We work diligently and have a wide range of products to cater to every lighting need to client’s specific requirements. Our Management emphasises on delivering least polluting and most efficient products that improve society's quality of life through effective lighting solutions.

Our Distribution Business

We have our distributing and marketing channels for our indoor and outdoor LED lighting products under our own brand “Artemis” which are located in different states of the country namely Gujarat, Maharashtra, Andhra Pradesh, Delhi, and Uttar Pradesh. We are expanding our distribution network aggressively across the country and mainly focusing on home utility lightings and a few outdoor lightings such as for garden, compounds, etc, which is the area of mass consumption and we aim to be present in most of the local markets in the country in the next 2 years. Other than selling through our own distribution network, we are also selling our own brand “Artemis” to local government bodies such as Karnataka State Electronics Development Corporation Limited (KEONICS)(A Government of Karnataka Enterprise) and have already completed an order of over ten thousand Solar powered 24W LED street lights.

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

OUR COMPETITIVE STRENGTHS



1. Experienced management & work force

Our Company is managed by a team of experienced and professional personnel with experience in different aspects of LED industry. They have an in-depth knowledge of the production, marketing and finance. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Our Promoters have more than Eight years of experience in LED industry. The faith of the management in the staff and their dedicated performance has enabled us to build us a niche player. We believe that the experience of our senior management team has resulted into improved product quality and increased profitability which give us a competitive edge.

2. Availability of comprehensive value chain in-house

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

3. Established Manufacturing Facility

Our existing manufacturing facility is located at Vasai, on the outskirts of Mumbai. Our manufacturing facilities are spread over 15,000 Square feet. Our biggest competitive strength is that we have in-house facility to manufacture most of the components used in manufacturing LED luminaries and the final finished product. From a design on paper to the final product, the entire process is done under one roof. This gives us greater flexibility in designing innovative products and achieving utmost efficiency in manufacturing, as the dependence on 3rd party for supplies is minimal. Having such a setup not only gives us better control over quality but also benefits us with cost advantages compared to our competitors.

4. Focus on Quality and Innovation

We believe that quality and innovation are essential in the growth of business. Our Management constantly strive to maintain and improve the quality of our products. Our focus on quality and innovation helps us to compete against our peers in the LED manufacturing industry. We are trying to create a shift from fossil fuel consuming source of energy to clean and green sources such as solar energy. We are trying to help every household to move from using conventional lighting to LED based lighting so that the energy consumption is at its minimal. We are offering our solar energy-based lighting solutions to cope up with the power shortages. All of our products are priced in way that they fall within reach of all consumers regardless of the income group.

5. Cost Leadership and time bound execution

Our Company promotes cost leadership and timely execution of client's orders. The timely fulfilment of the orders is a prerequisite in our industry and the cost leadership entails cost efficient manufacturing processes. Our management has carried out various steps for the purpose which involves identification of quality raw materials, harmonious relations with workforce and the use of latest and highly efficient manufacturing facilities which enhanced our ability to meet large and varied orders on a timely basis. Our Company has also sustained good relations with our vendors and consequently, we enjoy the benefit of timely supply of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of client's orders. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for manufacturing so as to ensure cost efficiency in procurement which in turn results in cost effective manufacturing.

6. Existing relationship with the clients

We focus on building long term client relationship and constantly try to cater customer needs with products in demand. Since we are mainly engaged in B2B business model, our existing clients provide us mandate for continuous services. We trust that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

7. Cordial relationship between management and labour

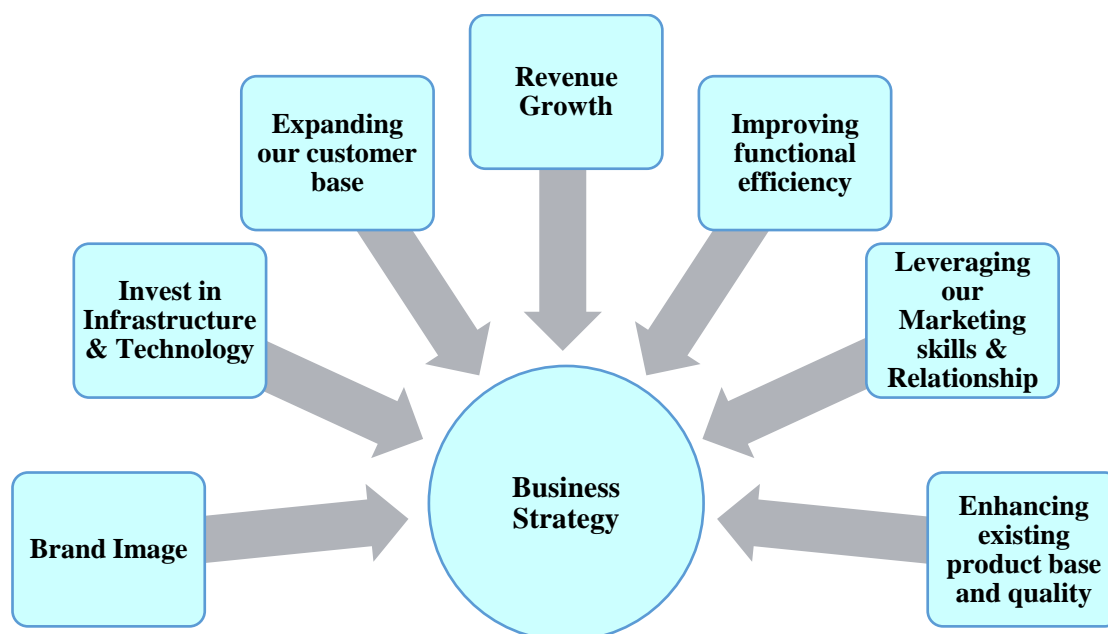
It has been over 30 years and our management has successfully maintained harmonious relations with our workforce. Our management has been able to match the goals and objectives of the company with the goals and expectations of the workforce. There has been no union of our employees. Further, we have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

8. Government Contracts

Our company has been awarded a contract worth Rs. 149.15 Lakhs from KEONICS (Karnataka State Electronics Development Corporation Limited) for the manufacture and supply of 10,000 LED street lights. Completing a few successful government contracts will catapult “Artemis” as a promising brand and give us an edge over our competitors.

OUR STRATEGIES

Our vision is to raise our market share in the existing markets and to penetrate new markets by providing high quality products. We intend to capitalize on the enhanced demand for our products in India and abroad. Our focus is on utilizing our core strengths for expanding our operations in existing as well as new markets. A brief description of the business strategies employed by us is as under:



1. Brand image

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long – term relationships with our clients. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over the products of our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing

excellent products as per the client's requirements.

2. Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in our products to cater to the diverse specifications of our clients. We have invested significantly in upgrading our manufacturing facilities with the latest and specialized infrastructure and modern technology. We seek to continue to work towards the upgradation and modernization of our infrastructure and technology in future as well for sustaining our growth in the subsequent periods as well.

3. Expanding our customer base

Our company has a limited portfolio of clients as on date and around 95.87 % of our total revenue is contributed by top ten clients only as at March 31, 2018. Currently the company has a customer base in domestic as well as international markets and it will seek to expand its business operations further in both domestic and overseas markets through efficient marketing and supply of quality products.

4. Revenue Growth

Majority of our clients are large traders and with our existing installed capacity we are able to supply them with upto one fourth of their total requirement. With our expansion plans and increased capacity in the future we will be able to supply more to our existing clients.

5. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement and technology development. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

6. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organization. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions on both domestic and international levels, etc.

7. Enhancing existing products base and product quality

We believe high quality products with global standards are of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. We train our employees to consistently design and deliver client focused solutions. We will continue to focus on creating innovative designs through R&D effort.

SWOT ANALYSIS OF OUR COMPANY

Strengths:

- Cordial relations with Customers.
- In depth knowledge of Industry – Commercial & Technical.
- Established manufacturing facility.
- Manufacturing for several leading Indian light companies.
- Huge infrastructure.
- Low overhead cost.
- Sizeable market share.

- Experienced management team.

Weakness:

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

Opportunities:

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

Threats:

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

DETAILS OF OUR BUSINESS**LOCATION**

We currently operate from the following office and manufacturing units in Maharashtra:

Registered & Manufacturing Office:-

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

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

For further details of ownership/ lease of the above locations, please refer to “*Our Business – Properties*” on page no. 191 of this Draft Red Herring Prospectus.

EXISTING MANUFACTURING FACILITY

Our manufacturing facility includes plant and machinery for SMD, Wave Solder, Shrink Wrap, Strapping, Soaking, Die Sinking, Milling, Drill Press, High Press & Forming Machine. We have invested in the latest technology and upgraded our machinery in the year [●] which has aided us in manufacturing best quality output for our clients.

Plant and Machinery

The existing Plant and Machinery at our Manufacturing Units are:

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

OUR PRODUCTS

Our Company is currently providing variety of products which include LED Street Lights, Solar LED Street Lights, LED Down Lights, LED Panel Lights, LED Surface Down Lights, Pendant Down lights, LED Spot Lights, LED Batten Lights, LED Architectural Lights, LED Focus Lights, LED Bulbs, with four production lines which enable us to manufacture 50,000 products per month. We also have a very flexible and well organized production facility which allows us to assemble up to 10 different products per day. In addition, we offer electronic components such as LED Drivers and electronic ballasts. We also offer innovative, integrated and customized lighting solutions for large

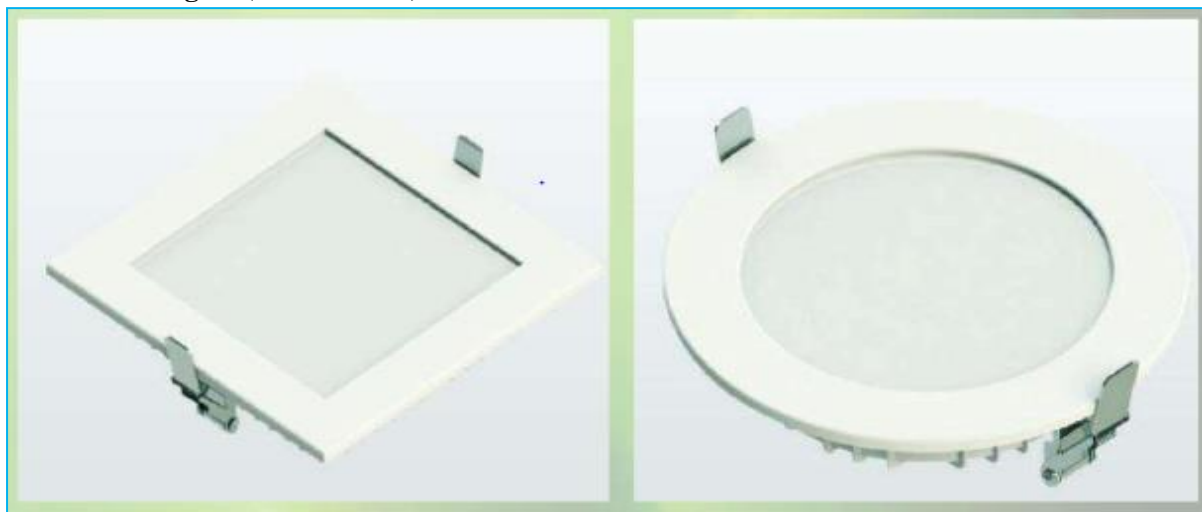
projects including light management systems, and offer value added services such as light design and engineering as well as maintenance services.

Our Solar Products

Solar energy is radiant light and heat from the Sun that is harnessed to create a clean form of energy. Electricity can be produced directly from photovoltaic, PV, cells. (Photovoltaic literally means “light” and “electric.”). Unlike conventional energy, electricity produced from solar energy does not give out any harmful emissions that harm the environment. We believe that solar products are the future as they will reduce the Carbon footprint by more than half compared to billions of conventional light bulbs. Our company is continuously working towards catering new areas of lighting coupled with solar energy. We already manufacture and trade in Solar Charge Controllers, Solar powered LED Batten Lights, Solar powered LED Down Lights, Solar powered LED Street Lights, Solar powered LED Bulbs, Solar powered Fans, Solar powered LED Lanterns, etc.

The sample pictures of our products are as under:-

LED Panel Lights (5 to 24 watts)



LED Plastic Body Panel Light (12 to 18 Watts)



LED Down Lights (15 Watts)



Moon LED Surface Down Lights (6 to 18 Watts)



LED Focus Lights (3 to 50 Watts)



LED Focus Lights (3 & 6 Watts)**LED Batten Lights (4Ft – 20W/2F – 10W/1F - 5W)****Architectural Lights**

LED Street Lights (9W – 100W)**Solar LED Street Lights (9W - 60W)**

Solar LED Lantern



Features and benefits

- Illumination with Low wattage LEDs
- Easy to operate
- Dusk to Dawn control
- Mains charging option with Adaptor
- Compact Lithium Ion battery
- Mobile charging
- Charging & Battery-low indicators
- Elegant Plastic housing
- Over charge & deep discharge protection

Applications

- Home Lighting
- Houses in Remote villages
- Farm houses

LED Drivers

Constant Current Drivers			Constant Voltage Drivers		
					
3W:350 mA 12V for 2-3 LEDs in series	3x3W:700 mA 12V for 2-3 LEDs in series	6W:350 mA 24V for 4-6 LEDs in series	SMPS 12V:1A		
					
1W:350 mA 4V for 1 LED	1x3W:700 mA 4V for 1 LED		SMPS 12V:2A		
					
12W:350 mA 48V for 8-12 LEDs in series	6x3W:700 mA 24V for 4-6 LEDs in series	12x3W:700 mA 48V for 8-12 LEDs in series	SMPS 12V:4A		

**Note: These products photographs are taken from Corporate profile of Artemis provided by the company.*

RAW MATERIALS

Components	Description	Major Suppliers
MCPCB	MCPCBs are most widely found in LED technologies, as they reduce the number of LEDs required to produce a specific illumination. Applications: Back light unit applications, Street safety applications (streetlights, lighting, etc.), General lighting applications, System automotive LED applications, Hybrid/electric motor control applications, Photovoltaic.	Pacific Circuits India Pvt. Ltd. Bajaj Electricals Ltd.
Drivers/ Streetlights	A driver is an electrical circuit or other electronic component used to control another circuit or component, such as a high-power transistor, liquid crystal display (LCD), and numerous others. They are usually used to regulate current flowing through a circuit or to control other factors such as other components, some devices in the circuit. The term is often used, for example, for a specialized integrated circuit that controls high-power switches in switched-mode power converters	1) Bhagyashree Industries 2) Mavaiya Enterprises Pvt. Ltd. 3) BDMV International Trading Pvt. Ltd. 4) Sapna Enterprises
Aluminum Alloy	The aluminum is used in the preparation of dies which are further used in casting of the LED Lights.	1) Jaisingh Alloys Pvt. Ltd. 2) Shakti Alloys 3) S.R Metals
LED/LENS	The lighting emitting diode is a p-n junction diode. It is a specially doped diode and made up of a special type of semiconductors. When the light emits in the forward biased, then it is called as a light emitting diode. Applications: Bulb in the homes and industries, Motorcycles & Cars, Mobile Phones, Traffic Signals.	1) Arrow Electronics India Pvt. Ltd. 2) Nichia Chemicals (India) Pvt. Ltd. 3) S.R. Electro

Components	Description	Major Suppliers
Transformers / Resistors/ Capacitors	<p>Transformers: A transformer is a static electrical device that transfers electrical energy between two or more circuits through electromagnetic induction. Transformers are used to increase or decrease the alternating voltages in electric power applications.</p> <p>Resistors: A resistor is a passive two-terminal electrical component that implements electrical resistance as a circuit element. In electronic circuits, resistors are used to reduce current flow, adjust signal levels, to divide voltages, bias active elements, and terminate transmission lines, among other uses.</p> <p>Capacitors: A capacitor is a passive two-terminal electrical component that stores potential energy in an electric field. The effect of a capacitor is known as capacitance. Capacitors are widely used in electronic circuits for blocking direct current while allowing alternating current to pass.</p>	1) Prism Electronics 2) Shubhika Technologies Pvt. Ltd.

MANUFACTURING PROCESS

Designing team prepares the design prototype by selection of LED's, Drivers, Light Output (Target Area), Optics, Packaging based on existing luminaires performance of LED's, Best efficiency. Components are assembled to prepare a Prototype which is tested to meet its desired Target results. The prototype is then dispatched to prospective clients for approval.



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



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



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



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



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



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

Step 1: Designing and Sample Preparation:

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

Step 2: Components Procurement:

Once the orders are placed by the clients, Bill of Material list is prepared based on finalized / approved designs. Purchase Department will identify & finalized the suppliers for the procurement of the raw material.

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

Step 3: Placing LED's on MCPCB:

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

Step 4: Manufacturing of PCB:

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

Step 5: Luminaries:

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

Step 6: Quality Check:

Firstly, LED luminaries are undergone internal quality check test for various critical electrical parameters on sample basis. The sample test of LED luminaries includes High voltage test, high temperature & humidity test & Low temperature test in environment chamber & cold chamber in operational condition respectively, shock test, Photometry test for checking optimal parameters, surge test, water proof test & drop test for check packaging. Secondly, external quality checks are done on the same line of internal quality checks by representative of clients.

Step 7: Packing:

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

INSTALLED CAPACITY

Capacity and capacity utilization for the last three years:

Product	Particulars	For the Financial Year		
		2015–16	2016–17	2017–18
LED Drivers	Installed capacity (Units)	5,00,000	500000	6,00,000
	Utilized capacity (Units)	1,74,500	1,98,200	3,77,000
	Utilized capacity (%)	34.90%	39.64%	63.00%
LED Luminaries	Installed capacity (Units)	6,00,000	6,00,000	7,20,000
	Utilized capacity (Units)	2,81,000	3,09,500	4,72,500
	Utilized capacity (%)	46.83%	51.58%	66.00%

Proposed capacity utilization:

Product	Particulars	For the Financial Year		
		2018–19	2019–20	2020–21
LED Drivers	Installed capacity (Units)	6,00,000	6,00,000	6,00,000
	Utilized capacity (Units)	4,25,000	4,60,000	5,00,000
	Utilized capacity (%)	70.83%	76.67%	83.33%
LED Luminaries	Installed capacity (Units)	7,20,000	7,20,000	7,20,000
	Utilized capacity (Units)	5,62,000	5,80,000	6,20,000
	Utilized capacity (%)	78.05%	80.55%	86.11%

It is to be noted that the proposed capacity utilization cannot be exactly determined as the production shall depend on the demand and other relevant factors. These are the estimated figures based on our best judgement.

UTILITIES**Water**

In our corporate office and factory premises we require water only for general purposes for which a water tanker is purchased on a daily basis from local tanker services.

Power

Manufacturing Unit: Our company has entered into an electricity sharing agreement with Electro Force (India) Private Limited “(EFIPL)” on a prorate basis whereby the EFIPL holds a valid electricity connection with Maharashtra State Electricity Distribution Company Limited “(MSEDCL)” and has agreed to share the electricity consumption charges based on the actual units consumed by our company in a month. EFIPL shall charge a rate of Rs. 9.50/- per unit on our actual power consumption. Actual power consumption is computed from the sub meter installed in the factory premises and the readings are taken on monthly basis for the purpose.

Corporate Office: Our existing power requirement for the administrative office is catered from “Tata Power Limited”. Our sanctioned power load is 23.20 KW and our existing consumption is approximately 5,500 units per month at an average cost of Rs. 11.75/- per unit approximately.

SALES AND MARKETING

Marketing is an important function of any organization; our company is no exception to it. We have deployed a team of efficient marketing professionals for the marketing and promotion of our products. Our success lies in the strength of our relationship with our clients who have been associated with our company since a long period of time. Our promoter and director Mr. Praveen Agarwal through his vast experience and good rapport with the clients owing to timely delivery of quality products plays an instrumental role in creating and expanding the work platform for our company.

Regular interaction is ensured not only to maintain the client base but also to gain insight into the designs and other requirements of the diverse clientele. With large sales potential, year-round production, low infrastructure costs, raw material proximity and the availability of professional expertise of our promoters, we plan to grow geographically in the foreseeable future period of time. Further, our company has appointed business and commercial agents for sale of our products. If any further requirement arises, we are willing to appoint new agents for the distribution of our products in both as domestic as well as overseas markets. Our company is planning to enhance the export turnover in the foreseeable future period of time. We also have an effective feedback system from our clients regarding our products which helps us in improving and maintaining the excellent quality of our products and achieving desired level of customer satisfaction.

COMPETITION

LED Lighting being a dynamic global industry, we face competition from various domestic and international manufacturers and traders and the highly competitive. Competition emerges from small as well as big players in the LED lighting market. The organized players in the industry compete with each other by providing high quality and time bound products. We have a number of competitors offering products similar to us. We believe the principal elements of competition in our industry are price, quality, sustained relationship with existing clients and vendors, use of technically upgraded plant and machinery, latest designs, adaptability of trends, timely delivery and reliability. We compete against our competitors by establishing ourselves as knowledge based production unit with industry expertise in the segment which enables us to provide our clients with innovative designs suitable to current trend and market requirements. Some of our major competitors are:-

- JDianm Lighting Private Limited.
- Evergreen Industries Private Limited.

COLLABORATION

The company has so far not entered into any technical or financial collaboration agreement.

HUMAN RESOURCES

The manufacturing process requires an appropriate mix of skilled, semi – skilled and unskilled workforce, which is readily available in Ahmedabad, Gujarat. The detailed break up of our employees is as under:


Division	Function	Number of employees
Finance	Accounts	1
Human Resource	Human Resource Management	1
Stores & Purchase	Purchase of Raw Material	2
	Stores	2

Research and Development	Research and Development	2
	Quality Control	2
Technical Engineering	Luminaire Assembly	3
	Electronics Assembly	2
	PCB Manufacturing	2
	Fabrication Unit	1
Operations	Helper, Loading & Unloading	1
	Raw Material & Finished Goods	12
	Machine Operators	3
Administration	Overall Management and Administration	2
Total		36

We also hire unskilled labour on contractual basis, as per the needs and requirements of our business.

INTELLECTUAL PROPERTY

Our Company has registered the company's brand under the Trademarks Act, 1999, the details of which are as under:

Trademark	Trademark Type	Class	Applicant	Application No.	Date of Registration	Registration Status
	Color (Logo)	9	Artemis Electricals Private Limited	2261103	November 01, 2013	Registered vide Certificate No. 1129027

EXPORT AND EXPORT OBLIGATION

As on the date of filing this Draft Red Herring Prospectus, our company does not have any pending export obligations.

PROPERTIES

Our Registered Office and manufacturing facility is located at Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India.

The details of Property occupied, leased or owned by the Company are as under:

A. OWNED

Sr. No.	Location	Area	Utility	Date of Agreement / Acquisition	Agreement Valid till
1)	Land bearing Industrial Plot No. IP-33, Khasara No. 84 situated at Raipur Sahakari Audyogic Khestra, Village Ripur, Pargana Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand.	787.50 Sq. Mtrs	Industrial Land	20.02.2010	NA

2)	Land bearing Industrial Plot No. IP-33-A, Khasara No. 84 situated at Raipur Sahakari Audyogic Khestra, Village Raipur, Pargana Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand.	800 Sq. Mtrs	Industrial Land	14.10.2009	NA
3)	Office 201A, A wing ,2 nd floor, Fortune 2000, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	199.37 Sq. Mtrs	Corporate Office	22.12.17	NA

B. FOR LEAVE AND LICENSE

Sr. No.	Location	Area	Utility	Date of Agreement / Acquisition	Agreement Valid till	Licensor
1)	Gala No. 103, 104, 105 & 108, National Express Highway, Vasai (East), Thane – 401208, Maharashtra, India	15000 Sq. Feet	Registered Office and Manufacturing Facility	14/01/2016	30/11/2020	M/s. P.K. Hospitality Services Private Limited

INSURANCE POLICIES

We have taken insurance policies insuring major risks relating to its stocks, plant & machinery at its manufacturing facilities. However, the insurance policies may not provide adequate coverage in certain circumstances and are subject to deductibles, exclusions and limit on coverage.

Sr. No.	Name of Insurer	Type of Policy	Validity Period	Description of coverage under the policy	Policy no.	Sum Insured (₹)	Premium P.A (₹)
1.	United India Insurance Company Limited	Standard fire & Special Perils Policy and Add on Earthquake and STFI Cover	16/07/2018 to 15/07/2019	Manufacturing Unit (Electronic Goods Manufacturing /Assembly) and add-on cover of Earthquake and STFI	0216001118P105013927	15,00,00,000	57,968

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled —Government and Other Statutory Approvals beginning on page number 313 of this Draft Red Herring Prospectus

I. Industry Related Laws

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Importer exporter code

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("**FTDRA**"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("**DGFT**") or from any other officer duly authorized under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is authorized to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic

offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDRA or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

II. Labour Laws

The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

The Industrial Disputes Act, 1947 ("**ID Act**") was enacted to make provision for investigation and settlements of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions in the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock outs, closures, lay-offs and retrenchment.

Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term factory, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding

Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

The Employees' Compensation Act, 1923

The Employees' Compensation Act, 1923 ("**EC Act**") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 58 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF

has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

Maternity Benefit Act, 1961

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an —Internal Complaints Committee and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 ("**PB Act**") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year minimum and maximum bonus and linking the payment of bonus with the production and productivity.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("**MW Act**") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorized to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("**PG Act**") applies to every factory and shop or establishment in which 10 (ten) or more employees are employed. Gratuity is payable to an employee on the

termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply)

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 ("**PW Act**") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Maharashtra Labour Welfare Act, 1953

The Maharashtra Labour Welfare Fund Act, 1953 provides for the constitution of a fund for the financing of activities to promote welfare of labour in the state of Maharashtra. Any establishment which is covered under the Bombay Shops and Establishments Act, 1948 or employs at least 5 employees is required to make bi-annual contributions in the months of June and December every year to the Maharashtra Labour Welfare Fund with respect to each of its employees including contract labourers except those employed in managerial capacity or supervisory role drawing monthly salary of more than Rs.3,500. For this purpose, apart from paying its own contribution with respect to each employee covered under the statute, the employer needs to deduct a contribution amount from the salary of the employee as well and submit such amount to the labour welfare fund. For this purpose, employers are allotted code numbers. The Government also adds some contribution with this which goes to the Labour Welfare Fund administered by a Welfare Commissioner. The employer has to apply for allotment of code number to the Welfare Commissioner, Maharashtra Labour Welfare Board.

Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979

The Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979 is applicable to an establishment, which employs five or more inter-state migrant workmen through an intermediary (who has recruited workmen from one State for employment in an establishment situated in another State). The inter State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses etc.

III. Environment Laws*The Environment (Protection) Act, 1986*

The Environment (Protection) Act, 1986 ("**EPA**") is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (Hazardous Wastes Rules") set out the regulations for management and disposal of environmental waste. It mandates that every facility generating hazardous waste must obtain prior approval from the relevant State Pollution Control Board. Particular attention must be paid to the recycling the hazardous waste. In the case of improper handling and disposal, every occupier transporter and the operator of a facility generating hazardous waste are liable for environmental damage and penalties thereunder.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 ("Public Liability Act") , along with the Public Liability Insurance Rules, 1991, require the owner to contribute towards the environment relief fund of a sum equal to the insurance premium paid to the insurer. Further, a liability is imposed on the owner or controller of hazardous substances, in relation to death/injury of a person, or any damage to property arising out of an accident involving such hazardous substances. Vide notification, the Central Government has enumerated a list of hazardous substances covered by the legislation.

IV. Tax Laws

Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the Act.

The Central Goods and Services Tax Act, 2017 (the "GST Act")

The Government of India proposed a comprehensive national goods and services tax ("GST") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017.

GST is a destination-based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain.

It replaces following indirect taxes and duties at the central and state levels: Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling. It is applicable on all goods except for alcohol for human consumption and five petroleum products. Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs.1.5 crore (75 lakhs in case of North Eastern States) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%, 28%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

- 2.5% in case of restaurants etc.
- 1% of the turnover in state/UT in case of manufacturer
- 0.5% of the turnover in state/ UT in case of other supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The

Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

The Maharashtra Goods and Services Tax Act, 2017 is applicable to the State of Maharashtra.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

V. Intellectual Property Laws

The Copyright Act, 1957

The Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amounts to an infringement of copyright.

The Trade Marks Act, 1999

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after 10 (ten) years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

The Patents Act, 1970

The Patents Act, 1970 ("**Patents Act**") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the

Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

Designs Act, 2000 ("Designs Act")

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trademarks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to property has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

VI. Other Laws

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

The Specific Relief Act, 1963 ("**SR Act**") is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

The Companies Act, 2013

The Companies Act, 2013 ("**CA 2013**") has been introduced to replace the existing Companies Act, 1956 in a phased manner. The CA 2013 primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to

the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the Companies Act, 2013.

Competition Act, 2002

The Competition Act, 2002 ("**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anticompetitive agreements, abuse of dominant position and combinations. The Competition Commission of India which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Consumer Protection Act, 1986

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

The Transfer of Property Act, 1882

The Transfer of Property Act, 1882 ("**TP Act**") as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

Shops and Establishments Legislation

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the state of Maharashtra. Accordingly, the provisions of the Bombay Shop and Establishments Act, 1960 are applicable to our Company. The Bombay Shops and Establishments Act, 1960 as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Maharashtra and makes provisions for the opening and closing of shops, daily and weekly hours of work, employment of children and young persons, health and safety measures, wages etc.

The Sale of Goods Act

The Sale of Goods Act, 1930 (“Sale of Goods Act”) governs the contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. The Sale of Goods Act is complimentary to the Indian Contract Act, 1872, and the unrepealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of the Sale of Good Act, continue to apply to contracts for the sale of goods. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

Foreign Investment Laws

Foreign Investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”) along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the Consolidated FDI Policy (“**FDI Policy**”) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) from time to time. Under the current FDI Policy, foreign investment can be made under the automatic and approval route.

In terms of applicable FEMA Regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by Foreign Portfolio Investors (“**FPI**”) in the capital of an Indian Company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI Investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our company has, accordingly, increased such aggregate limit for FPI Investment to 49% of our paid-up Equity Share Capital.

The Arbitration and Conciliation Act, 2015

The Arbitration and Conciliation Act (“**Arbitration Act**”) was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitrations and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reason for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as it were decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated and registered as Private Limited Company on October 26, 2009 vide Certificate of Incorporation issued by Registrar of Companies, Mumbai, Maharashtra bearing Corporate Identification Number U51505MH2009PTC196683. Subsequently, our company was converted into Public Company pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting held on July 25, 2015 and name of company was changed to “Artemis Electricals Limited” pursuant to issuance of Fresh Certification of Incorporation dated August 27, 2015 by Registrar of Companies Mumbai, Maharashtra. Currently, The Corporate Identification Number of our company is U51505MH2009PLC196683. The registered office of our company is Artemis Complex, Gala no. 105 & 108, National Express Highway, Vasai (East), Thane, Maharashtra – 401208, India.

Our Business

Our Company is engaged in manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. We manufacture and trade in all sorts of outdoor and indoor LED based lighting solutions such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights. Down lights, Garden lights, pavement / walk through indication lights, etc. Our products are used for illumination and special purposes in a variety of applications for general lighting, in particular architectural, residential, office, industrial, shop, hospitality, and out door. Our portfolio includes solutions across the LED luminary spectrum i.e. from the high technology LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our LED drivers are manufactured in a modern facility, mainly using SMD components on an automatic pick-n-place machine. Our company believes in providing high quality products at affordable prices for the mass markets.

Artemis with its own manufacturing plant is a preferred partner for Original Equipment Manufacturer “OEM” business clientele for various well-known and established lighting brands in India such as Bajaj Lighting, Crompton Greaves, and Eveready to name a few.

With a passion to set high standards for our products, the management has always taken keen interest to innovate and update products as well quality from time to time, taken measures to scale up and deliver the best quality products efficiently. We work diligently and have a wide range of products to cater to every lighting need to client’s specific requirements. Our Management emphasizes on delivering least polluting and most efficient products that improve society's quality of life through effective lighting solutions.

Please refer to chapters titled “*Our Business*”, “*Financial Statements as Restated*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 173, 251, 285 and 313 respectively of the Draft Red Herring Prospectus.

The total number of members of our Company as on the date of filing of this Draft Red Herring Prospectus is 13. For further details, please refer the chapter titled “*Capital Structure*” beginning on page 91 of this Draft Red Herring Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

Period	Registered Office
Incorporation – May 30, 2013	142, Garuda House, Upper Govind Nagar, Near Kailashpuri Hanuman Temple, Malad (East) Mumbai 400097
May 30, 2013 - Present	Artemis Complex, Gala no. 105 & 108, National Express Highway, Vasai (East), Thane, Maharashtra – 401208, India

MAIN OBJECTS OF OUR COMPANY

The object of our Company is:

“To carry on the business in India and abroad as Manufacturer, Trader, Distributors, Dealers, Exporter, Importer, Suppliers, Brokers, Stockiest & Commission Agent, Agency business, processors installation, selling & Marketing Business, Processors installation, selling & Marketing Business, Assembling, Develop, Electrical, Electronic and Instrumentation items, LED Package and LED Lighting products, Lamps, street Lights, Display Panels, Modules, Electronic products, Accessories and other components and devices, Engineering products goods, plant & Machinery, Equipment, Apparatus and other Gadgets, Appliances, Accessories, Electronic Organisers, Contractors, Light Fitting, erect, to expand money in experimenting upon and testing and in improving or seeking to improve any patents inventions.”

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Since incorporation, the following amendments have been made to the MOA of our Company:

Sr. No.	Date of Change	Changes in Authorized Capital
1	On Incorporation	The authorized capital of our company on incorporation comprised of Rs. 5,00,000/- consisting of 50,000 Equity shares of Rs. 10/- each.
2	January 04 th , 2010	Authorized share capital of Rs. 5,00,000/- consisting of 50,000 Equity Shares of The Rs. 10/- each was increased to Rs. 2,00,00,000/- consisting of 20,00,000 Equity shares of Rs. 10/- each.
3	June 03 rd , 2013	The authorized share capital of Rs. 2,00,00,000/- consisting of 20,00,000 Equity Shares of Rs.10/- each was increased to Rs. 2,50,00,000/- consisting of 25,00,000 Equity shares of Rs. 10/- each.
4	July 25 th , 2015	The authorized share capital of Rs. 2,50,00,000/- consisting of 25,00,000 Equity shares of Rs. 10/- each was increased to Rs. 5,00,00,000/- consisting of 50,00,000 Equity shares of Rs. 10/- each.
5	July 25 th , 2015	MOA was amended to make it align with the Companies Act, 2013.
6	August 27 th , 2015	Conversion of company from Private Limited to Public Limited company and subsequent change of name of company from ‘Artemis Electricals Private Limited’ to ‘Artemis Electricals Limited’.
7	December 26 th , 2015	The authorized share capital of Rs. 5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each was increased to Rs. 7,00,00,000/- consisting of 70,00,000 Equity shares of Rs. 10/- each.
8	May 05 th , 2018	The authorized share capital of Rs. 7,00,00,000/- consisting of 70,00,000 Equity shares of Rs.10/- each was increased to Rs. 22,00,00,000/- consisting of 2,20,00,000 Equity shares of Rs. 10/- each.

KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Events
2009	Incorporation of our Company
2013	Crossed 500 Lacs Turnover
2015	Converted in to Public Limited Company and consequently the name was changed to "Artemis Electricals Limited"
2016	Crossed 2500 Lacs Turnover landmark
2017	Started Supplies of Street lights of 24W to KEONICS (Karnataka Government)

OUR HOLDING COMPANY

Our Company does not have any holding company as on the date of filing of this Draft Red Herring Prospectus.

OUR SUBSIDIARY COMPANY

Our Company does not have any Subsidiary company as on the date of filing of this Draft Red Herring Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details of the capital raising activities through equity, please refer to the chapters titled "*Capital Structure*" on page 91. For details on the Outstanding debt facilities of our company, please refer to the chapter titled "Financial Indebtness" on page 294 of this Draft Red Herring Prospectus.

REVALUATION OF ASSETS

Our Company has not revalued its 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 during the last five years.

INJUNCTIONS OR RESTRAINING ORDERS

There are no injunctions / restraining orders that have been passed against the Company.

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

Our Company has not acquired any business or undertaken any mergers, amalgamation, since its incorporation.

SHAREHOLDERS' AGREEMENTS

Our company has not entered into any shareholders' agreement as on date of filing of this Draft Red herring prospectus/ Red herring prospectus/ Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on date of filing of this Draft Red herring prospectus/ Red herring prospectus/ Prospectus.

STRIKES AND LOCK-OUTS

Our Company has, since incorporation, not been involved in any labor disputes or disturbances including strikes and lock- outs. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

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 this Draft Red Herring Prospectus.

FINANCIAL PARTNERS

As on the date of this Draft Red Herring Prospectus, 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.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has 13 shareholders as on 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 5 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:

S. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN.	Date of Appointment/Latest Re-appointment	Other Directorship/ Partnership
1.	Name: Mr Pravin Kumar Brijendra Kumar Agarwal Age: 47 years Father's Name: Brijendra Kumar Agarwal Designation: Chairman and Executive Director Address: 1105 Tower – A, Raheja Sherwood, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra, India Occupation: Business Nationality: Indian Term: Liable to retire by rotation DIN: 00845482	May 28, 2018	Public Limited Company: P.K Global Amusement Park Limited Private Limited Company: Golden Chariot Organics Pharma (India) Private Limited Dforce Electro Werke Private Limited PKSS Infrastructure Private Limited Vriti Infrastructure Private Limited Eternal Infra Private Limited Makindian Foods Private Limited Poonam Anjali Ventures Private Limited Garuda Construction And Engineering Private Limited P.K.Hospitality Services Private Limited Golden Chariot Retreats And Infra Private Limited Garuda Aviation Services Private Limited Deepa Travel Pvt. Ltd Garuda Telefilms Private Limited Ayesspea Holdings And Investments Private Limited Eternal Building Assets Private Limited Waive Premises Private Limited Purple N Blue Events Private Limited BDMV Global Ventures Private Limited Limited Liability Partnership: Nil
	Name: Chandrahas Narayan Shetty Age: 56 years	May 05, 2018	Public Limited Company: Nil

S. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN.	Date of Appointment/Latest Re-appointment	Other Directorship/ Partnership
	Father's Name: Mangalore Narayan Shetty Designation: Whole Time Director and Chief Executive Officer Address: C/512, Sunshine, Raheja Vihar, Off Chandivali Farm Road, Powai, Saki Naka, Mumbai – 400072 Maharashtra Occupation: Business Nationality: Indian Term: 5 Years starting from 5 th May, 2018 subject to liable to retire by rotation. DIN: 08126379		Private Limited Company: Nil Limited Liability Partnership: Nil
3.	Name: Ram Niranjana Bhutra Age: 35 Years Father's Name: Parasram Bhutra Designation: Non Executive Director Address: G – 401, 4 th Floor, Evershine Millenium Paradise Moon – 73, Thakur village, Evershine Dream Park, Kandivali East, Mumbai, Maharashtra – 400101 Occupation: Business Nationality: Indian Term: Liable to Retire by rotation DIN: 01459092	January 25, 2018	Public Limited Company: P.K. Global Amusement Park Limited Private Limited Company: Golden Chariot Organics Pharma (India) Private Limited Makindian Foods Private Limited Electro Force (India) Private Limited Golden Chariot Hospitality Services private Limited Golden Chariot Retreats And Infra Private Limited P.K. Global Logistics (India) Private limited Narrow Structures Private Limited Limited Liability Partnership: Resolute Advisors LLP
4.	Name: Krishna Kumar Laxman Bangera Age: 67 Father's Name: Laxman Kujumba Bangera Designation: Independent Director Address: 401, Jeevan Sathi, 18, Juhu Lane, C D Barfiwala Marg, inside New India Staff Quarters, Andheri West, Mumbai, Maharashtra – 400058 Occupation: Business Nationality: Indian Term: 5 Years from December 01, 2015	December 01, 2015	Public Limited Company: Nil Private Limited Company: Global Exchange Company Private Limited Limited Liability Partnership: Nil

S. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN.	Date of Appointment/Latest Re-appointment	Other Directorship/ Partnership
	DIN: 02082675		
5.	Name: Richa Sharma Age: 31 Father's Name: Vinod Kumar Designation: Independent Director Address: Ward No. 31, factory Area, Sirsa, Haryana – 125055 Occupation: Business Nationality: Indian Term: 5 Years from May 05, 2018 DIN: 08122719	May 05, 2018	Public Limited Company: Nil Private Limited Company: Nil Limited Liability Partnership: Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Pravin Kumar Brijendra Kumar Agarwal

Mr. Pravin Kumar Agarwal, aged 47 years, is the Promoter, Chairman and Director of our Company. At the age of 16, he started his journey in the field of Hospitality and Aviation related services i.e. Car Parking, Air Cargo, Airport Entry Tickets etc across Indian Airports. In the year 2000 he formed a Company in hospitality and has been running the business successfully since then. Over the period, he has been instrumental in creating various Hospitality brands under different formats naming few:

- Port Lounges
- Port Snacks Bar
- Golden Chariot
- Balaji
- Balaji Xpress
- Chicago Crust
- Buno and Kaffa
- ReetRajwada
- Hardy's
- Punjabi Kulfi
- Mad Over Fish

Subsequently he has ventured into various manufacturing and infrastructure sectors and made successful enterprises naming few as Electroplast India Pvt Ltd (Plastic Moulding and Powder coating facility), Electropack (Corrugated boxes manufacturing facility), Electroforce India Pvt Ltd (Manufacturing of Switchgear Components with State of Art Tool Room facility), Operated toll contracts across India under the banner of PKSS Infrastructure Pvt Ltd, P K Global Logistics Pvt Ltd, SMYR Consortium LLP and PK Hospitality Services Pvt Ltd.

The sudden spurt in demand and popularity for LED in the market encouraged him to venture in manufacturing of LED products namely Emitters, Luminaires and Drivers so he has set up unit of manufacturing of LED in Vasai, Maharashtra in 2010. He has profound knowledge of business and motivates the team. He served the company since incorporation as a director and as a leader.

Chandrabhas Narayan Shetty

Chandrabhas Narayan Shetty, aged 56 years, is the Whole-time Director and Chief Executive Officer of our Company. He has done B.Sc. from the University of Bombay. He has over 35 years of experience in multifarious roles including sales and profit center management. He has worked on

various positions with well-known companies like Nestle India Limited, Arabian Oasis Food Company, Oman. He is an out-of-the-box thinker and a strong communicator with a consultative style of management. He has demonstrated strong negotiation skills; inter personal relationships, people management, team building and problem solving abilities.

Ramniranjan Bhutra

Ramniranjan Bhutra, aged 35 years, is a qualified Chartered Accountant and fellow member of the ICAI, have been into financial and management consultancy since then especially in the area of takeover and restructuring of the business, financial / operational due diligence, internal / management audit, debt syndication etc. He has been associated with Garuda Group since 10 years under different capacities and have been instrumental in setting up and restructuring of lots of new and existing business vertical during last 10 years. Further he has been involved in critical operational issues for Artemis Electricals Ltd along with new business development abroad.

Krishna Kumar Laxman Bangera

Krishna Kumar Laxman Bangera, aged 67 years is an Independent Director of Our Company. He has been associated with the Company since 2015. He is a co – founder of Global Exchange Company Private Limited. His highly developed analytical, evaluation and decision making skills, made Global Exchange Company Private Limited prominent and trustworthily brand for money exchange in India. He also serves as the president of 115 years old Mogaveera Vyavasthapaka Mandali, which runs an educational campus from primary to degree college with four streams and an international school coupled with community service with a motto of education to the needy. He is a powerful speaker with great interpersonal skills.

Richa Sharma

Richa Sharma, aged 31, years is an Independent Director of Our Company. She is self-employed professional. Innovation in process is her working passion, and she relishes any chance to improve process and make technology do the hard work. She looks for opportunities to improve the working environment so that large volumes can be processed quickly and that the interesting exceptions get the focus they require. She is passionate about supporting people and giving them learning opportunities so that they can find their work passion too.

CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

1. None of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013
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 wilful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, 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:

Name of Director	Amount (in Rs.)
Pravin Kumar Agarwal	9,62,866

Compensation of our Whole-time Director:

The Compensation payable to our 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 and the rules made there under (including any statutory modification(s) or re – enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and the Articles of Association of the Company.

Terms and conditions of employment of our Whole Time Director

Chandrabhas Narayan Shetty is appointed as Whole Time Director of our Company with effect from May 05, 2018 for a period of five years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 2,35,000/- per month as remuneration with power to the board to increase the remuneration in accordance to the provision of his duties.
Term of Appointment	5 Years from May 05, 2018 subject to liable to retire by rotation.
Perquisites	N.A.

Sitting Fees

Non – Executive Director and Independent Directors of the Company may be paid sitting fees 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 of this Draft Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Whole Time Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director and Whole Time Director pursuant to bonus or profit-sharing plan.

SHAREHOLDING OF OUR DIRECTORS IN OUR 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 Capital	% of Post Issue Equity Capital
1.	Pravin Kumar Agarwal	17,08,125	12.83	[•]
2.	Chandrabhas Narayan Shetty	2,75,985	2.07	[•]
3.	Ramniranjan	6,65,553	5.00	[•]

	Bhutra			
	Grand Total	26,49,663	19.90	[•]

INTERESTS OF DIRECTORS

Interest in promotion of our Company

Some of 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 249 of this Draft Red Herring Prospectus.

Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Draft Red Herring Prospectus.

Interest as member of our Company

As on date of this Draft Red Herring Prospectus, our Directors together hold 26,49,663 Equity Shares in our Company i.e. 19.90 % of the pre-Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

Interest as a creditor of our Company

As on the date of this Draft Red Herring Prospectus, our Company has not availed any loan from directors of our Company. For further details, refer to chapter titled “*Financial Indebtness*” and heading titled “*Related Party Transactions*” under Chapter titled “Financial Statements as Restated” beginning on page 294 and 249 respectively of this Draft Red Herring Prospectus.

Interest as Director of our Company

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 208, 251 and 91 respectively of this Draft Red Herring Prospectus our Directors, may 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 and in terms of agreements entered into with our Company, if any and AOA of our Company.

Interest as Key Managerial Personnel of our Company

Chandrabas Narayan Shetty - Whole-time Director and CEO, Shivkumar Chhangur Singh – Chief Financial officer and Al Heena Khan – Company Secretary are the Key Managerial Personnel of our 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 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 251 of this Draft Red Herring Prospectus.

Interest in transactions involving payment of rent

Our company has taken a property on lease from P.K. Hospitality Services Private Limited, in which one of our Director Hold directorship. Except as stated/referred to in the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 173 of this Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation 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.

Other Indirect Interest

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 251 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.

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 251 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 company 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.

Date	Director	Particulars
May 28 th , 2018	Mr Pravin Kumar Agarwal	Change in Designation as the Chairman and Executive Director of the company.
December 1 st , 2015	Mr Sudhir Kumar Agarwal	Change in Designation to whole time director
December 1 st , 2015	Mr Sudhir kumar Agarwal	Appointed as Whole Time Director of the Company
December 1 st , 2015	Mr. Venkateshkumar Krishnamurthy Tirupatipanyam	Appointed as the Independent Director of the Company.
December 1 st , 2015	Mr Krishnakumar Laxman Bangera	Appointed as the Independent Director of the company.
January 20 th , 2018	Mr. Venkatesh kumar Krishnamurthy Tirupatipanyam	Resigned as the Independent Director of the company.
January 25 th , 2018	Mr Ramniranjan Bhutra	Appointed as Non-Executive Director of the company.
April 16 th , 2018	Mr Sudhir Kumar Agarwal	Resigned as the Whole time Director of the Company
April 16 th , 2018	Mrs Priti Agarwal	Resigned as the Director of the company
May 5 th , 2018	Ms Richa Sharma	Appointed as an Independent Director of the company
May 5 th , 2018	Mr Chandahas Narayan Shetty	Appointed as Whole Time Director of the Company

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on December 04, 2017 and pursuant to provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 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. 30 Crores (Rupees Thirty Crores only) 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 with respect to corporate governance, provisions of the SEBI (LODR) Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We have complied with the requirements of the applicable regulations, including the SEBI Listing Regulations, the SEBI Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

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 various committees constituted to oversee specific operational areas.

As on date of this Draft Red Herring Prospectus, there are 5 Directors on our Board out of which at least one third are independent Directors. Richa Sharma is the woman Director of our Company. Our Company has complied with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and 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 Responsibility 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 May 28, 2018.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Director	Status	Nature of Directorship
Richa Sharma	Chair person	Independent Non-Executive Director
Pravin Kumar Agarwal	Member	Executive Director
Krishnakumar Laxman Bangera	Member	Independent Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

- The Recommendation for appointment, remuneration and terms of auditor of the company
- 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.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Review and monitor the auditors independent and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the company with related parties
- 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.

6. 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
 7. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 8. 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.
 9. 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.
 10. Discussion with internal auditors any significant findings and follow up there on
 11. Examination of the financial Statements and Auditors report thereon.
 12. Approval or any subsequent modification of transactions of the company with Related Parties.
 13. 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.
 14. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
 15. Scrutiny of inter-corporate loans and investments
 16. Valuation of undertakings or assets of the company, wherever it is necessary.
 17. Evaluation of internal financial controls and risk management systems.
 18. 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/ 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.
 19. The committee may call for comments of the auditors about internal control systems, the scope of audit including the observation of the auditors and review of financial statements before their submission to the board and may also discuss any related issues with the internal and Statutory auditor and the managements of the company
 20. The committee shall have authority to investigate into any matter in relation the items specified above or referred to it by the board and for their purpose shall have power to obtain professional advice from external sources and have full access to information contained the records of the company.
 21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 22. To investigate any other matters referred to by the Board of Directors.
- 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

The audit committee shall meet at least 4 times in a year and not more than 120 days shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater.

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 May 28, 2018.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Ramniranjan Bhutra	Chairperson	Non-Executive Director
Pravin Kumar Agarwal	Member	Executive Director
Krishnakumar Laxman	Member	Independent Non-Executive Director

Bangera		
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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 Stakeholders' Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders' 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 Stakeholders' Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder's Relationship Committee shall meet at least 4 times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Role of Stakeholder's Relationship Committee:

The Committee shall consider and resolve grievance of security holders, including but not limited to:

1. To Resolve the grievance in respect of Share Transfers and share Transmission.
2. Redressal of securities holders/ investors complaints. Efficient allotment and listing of shares; and Transfer of shares; including review of for refusal of transfer/transmission of shares and debentures.
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
4. Review the process and mechanism of redressal of Shareholders/Investors grievance and suggest measures of improving the system of redressal of Shareholders/Investors grievances.
5. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
6. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
7. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time..
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.
9. To resolve the issues related to dematerialization and /or dematerialization of securities of Shareholders.
10. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting

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 May 28, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Ramniranjan Bhutra	Chairman	Non-Executive Director
Krishnakumar Laxman Bangera	Member	Independent Non-Executive Director

Richa Sharma	Member	Independent Non-Executive Director
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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 Committee shall be called by at least seven days' notice in advance.

C. Role of the Nomination and Remuneration Committee not limited to but includes:

- Identifying persons who are qualified to become directors and may be appointed in senior management Personnel of the company who are members of the core management team including the functional heads in accordance with the criteria laid by the Board
- Recommendation for appointment and removal of Senior Management personnel and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director
- Devising a policy on Board diversity
- Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of commission payable to the Whole time Director/Managing Director.
- To formulate and administer the Employee Stock Option Scheme, (if any)
- Recommend a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees
- While formulating the policy it shall ensure that
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
 - Relationship of remuneration to performance is clear and meets appropriate performance bench marks and
 - Remuneration to director, Key managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

D) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility are:

Our Company has reconstituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act, 2013. The constitution of the Corporate Social Responsibility was approved by a meeting of the Board of Directors held on May 28, 2018. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Chandrabhas Narayan Shetty	Chairman	Whole-time Director
Krishnakumar Laxman	Member	Independent Non-Executive Director

Bangera		
Richa Sharma	Member	Independent Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate Social Responsibility Committee.

The scope and function of the Committee and its terms of reference shall include the following:

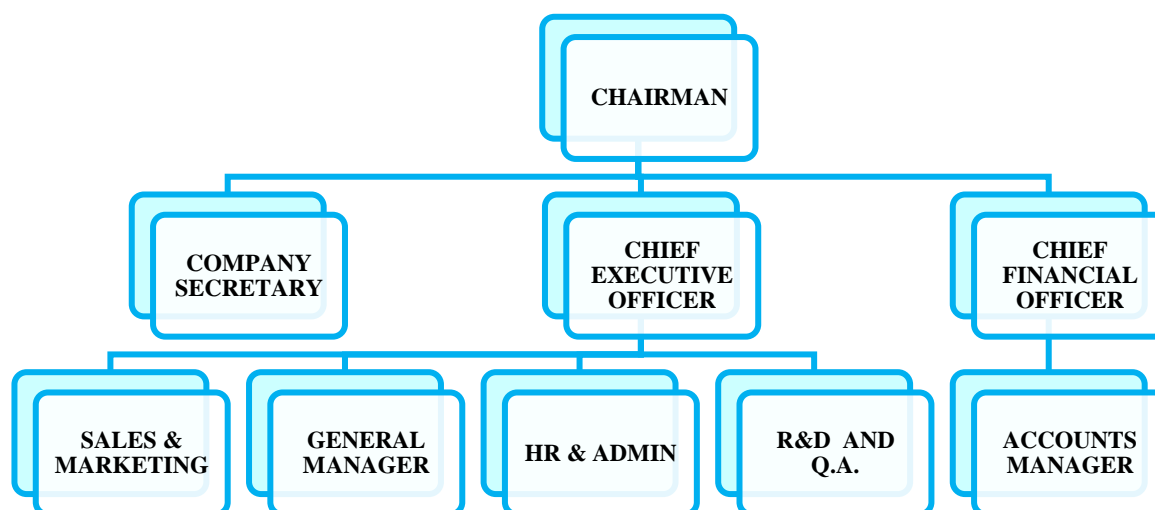
The terms of reference of the Corporate Social Responsibility Committee of our Company include the formulating, recommending to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities and monitor the corporate social responsibility policy of our Company 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 the 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. Further, Board of Directors at their meeting held on 28.05.2018 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

AlHeena Khan, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

ORGANIZATIONAL 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:

The details of our Key Managerial Personnel are set out below:

Chandrabhas Narayan Shetty

Chandrabhas Narayan Shetty, aged 56 years, is the Whole-time Director and Chief Executive Officer of our Company. He has done B.Sc. from the University of Bombay. He has over 35 years of experience in multifarious roles including sales and profit center management. He has worked on various positions with well-known companies like Nestle India Limited, Arabian Oasis Food Company, Oman. He is an out-of-the-box thinker and a strong communicator with a consultative style of management. He has demonstrated strong negotiation skills; inter personal relationships, people management, team building and problem solving abilities.

Shivkumar Chhangur Singh

Shivkumar Chhangur Singh, aged 50 years, is the Chief Financial Officer of our Company with effect from April 16, 2018. He holds Bachelor's Degree in Commerce and Qualified the Intermediate examination of Chartered Accountant. With the vast experience and knowledge in Finance and Accounts and he has also worked with various companies under various roles like Audit Manager in Nanu Bhai & Co., Internal Audit Manager in Bright Brother Limited, Manager Accounts and Finance in Goodwill Medical Limited. Since 2011 he is associated with Garuda Group.

Al Heena Khan

Al Heena Khan, aged 29 years, is Company Secretary of our Company with effect from April 1, 2018. She is a Company Secretary by qualification and an Associate member of Institute of Company Secretaries of India. She looks after the Legal, Secretarial and Compliance Department of the Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the Key Managerial Personnel of the Company are related to each other as per section 2(77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

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 disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares held	% of Shares held
1	Shivkumar Chhangur Singh	111	0%
2	Chandrabhas Narayan Shetty	985	7%

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

Except as disclosed in the chapter titled ‘Related Party Transaction’ on page 249 of this Draft Red Herring Prospectus our Company has not given any loans and advances to the Key Managerial Personnel.

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 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 208 and 249 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

The changes in the Key Managerial Personnel in the last three years are as follows:

Name of the Key Managerial Personnel	Date of Event	Nature of Event	Reason
Chandrabhas Narayan Shetty	May 05, 2018	Appointment	Appointment as Whole time Director
Chandrabhas Narayan Shetty	December 01, 2015	Appointment	Appointment as Chief Financial Officer
Chandrabhas Narayan Shetty	March 10, 2018	Cessation	Cessation as Chief Financial Officer
Shivkumar Chhangur Singh	April 16, 2018	Appointment	Appointment as Chief Financial Officer
Chandrabhas Narayan Shetty	April 01, 2018	Appointment	Appointment as Chief Executive Officer
Megha Ramesh Gandhi	December 15, 2015	Appointment	Appointment as Company Secretary
Megha Ramesh Gandhi	March 10, 2018	Cessation	Cessation as Company Secretary
Al Heena Khan	April 01, 2018	Appointment	Appointment as Company Secretary

ESOP/ESPS SCHEME TO EMPLOYEES

Our company does not have any Employee Stock Option Scheme as on the date of filing the Draft Red Herring Prospectus.

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*” beginning on page 251 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 PROMOTERS

The promoters of our Company are Mr. Pravin Kumar Brijendra Kumar Agarwal and M/s. Yashvikram Infrastructure Private Limited. As on the date of this Draft Red Herring Prospectus, our promoters hold in aggregate 60,14,625 equity shares representing 45.19% of the pre – issue paid up capital of our Company.

Brief profile of our Individual Promoter is as under:

	Pravin Kumar Brijendra Kumar Agarwal, Promoter, Chairman & Director
	<p>Mr. Pravin Kumar Brijendra Kumar Agarwal, aged 47 years, is the Promoter, Chairman and Director of our Company. At the age of 16, he started his journey in the field of Hospitality and Aviation related services i.e. Car Parking, Air Cargo, Airport Entry Tickets etc across Indian Airports. In the year 2000 he formed a Company in hospitality and has been running the business successfully since then. Over the period, he has been instrumental in creating various Hospitality brands under different formats naming few:</p> <p>Port Lounges Port Snacks Bar Golden Chariot Balaji Balaji Xpress Chicago Crust Buno and Kaffa Reet Rajwada Hardy's Punjabi Kulfi Mad Over Fish</p> <p>Subsequently, he has ventured into various manufacturing and infrastructure sectors and made successful enterprises naming few as Electoplast India Pvt. Ltd. (Plastic Moulding and Powder coating facility), Electropack (Corrugated boxes manufacturing facility), Electroforce India Pvt. Ltd. (Manufacturing of Switchgear Components with State of Art Tool Room facility), Operated toll contracts across India under the banner of PKSS Infrastructure Pvt. Ltd., P K Global Logistics Pvt. Ltd. SMYR Consortium LLP and PK Hospitality Services Pvt. Ltd.</p> <p>The sudden spurt in demand and popularity for LED in the market encouraged him to venture in manufacturing of LED products namely Emitters, Luminaries and Drivers so he has set up unit of manufacturing of LED in Vasai, Maharashtra in 2010. He has profound knowledge of business and motivates the team. He served the company since incorporation as a director and as a leader.</p>

Nationality: Indian
PAN: AAEP2401K
Passport No: Z2082095
DIN No: 00845482
Aadhaar No. 6324 8119 0497
Address: 1105 Tower-A, Raheja Sherwood, Western Express Highway, Goregaon (East), Mumbai-400063 Maharashtra, India

Firms and Ventures promoted by Mr. Pravin Kumar Agarwal:

Artemis Electricals Limited
 Golden Chariot Organics Pharma (India) Private Limited
 Dforce Electro Werke Private Limited
 Pkss Infrastructure Private Limited
 Vriti Infrastructure Private Limited
 Eternal Infra Private Limited
 Makindian Foods Private Limited
 Poonam Anjali Ventures Private Limited
 Garuda Construction And Engineering Private Limited
 P.K. Hospitality Services Private Limited
 Golden Chariot Retreats And Infra Private Limited
 Garuda Aviation Services Private Limited
 Deepa Travel Private Limited
 Garuda Telefilms Private Limited
 Ayesspea Holdings And Investments Private Limited
 Eternal Building Assets Private Limited
 Waive Premises Private Limited
 Purple N Blue Events Private Limited
 Bdmv Global Ventures Private Limited
 P.K. Global Amusement Private Limited

Interest as Shareholders in the following Companies:

P.K. Explorations and Mines Private Limited
 Vinayak Cement Corporation Limited
 Artemis Opto Electronic Technologies Private Limited
 GIS Electrovision Private Limited
 Gallic Electro Technologies Private Limited
 Yashvikram Infrastructure Private Limited
 NS Patil Developers Private Limited
 Electroforce (India) Private Limited
 Golden Chariot Hospitality Services Private Limited
 Aroma Coffees Private Limited
 P.K. Global Logistics (India) Private Limited
 Complete Aviation Solutions Private Limited
 Rudraksha Landscapes Private Limited
 Garuda Television Private Limited

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.

CORPORATE PROMOTER

Yashvikram Infrastructure Private Limited

M/s Yashvikram Infrastructure Private Limited was incorporated on 14th December, 2004 as a Private Limited Company under the Companies Act, 1956 and registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U45200MH2004PTC149996. The Registered Office of Yashvikram Infrastructure Private Limited is situated at 142, Garuda House, Upper Govind Nagar, Malad (East), Mumbai – 400097. The Paid up Share capital of the company is Rs. 9,68,06,150 /- including both, Equity as well as Preference Share Capital.

M/s. Yashvikram Infrastructure Private Limited holds 43,06,500 Equity Shares of our Company, which constitutes 32.35% of Pre Issue paid up Share Capital.

Natural persons in control of the Corporate Promoter:

YIPL is promoted by:

1. Mr. Alok Kumar Agarwal
2. Mr. Sudhir Kumar Agarwal

Board of Directors

The Board of Directors of Yashvikram Infrastructure Private Limited as on date of this Draft Red Herring Prospectus is as under

1. Alok Kumar Agarwal
2. Sudhir Kumar Agarwal

There has been no change in Management and control of YIPL in three years preceding the date of this Draft Red Herring Prospectus.

Details of the persons who held the controlling interest in three years immediately preceding the Draft Red Herring Prospectus:

Main Objects:

- To carry on the business of builders and contractors to layout, develop, construct, build, erect, demolish, re-erect, alter, repairs, re-model.
- To carry on the business to do any work in connection with any building or building scheme, roads, highways, docks, ships, sewers, bridges, canals, wells, springs, serais, dams, power plants, bours, wharves, ports, reservoirs, embankments, tramway, railways, irrigation, reclamations, improvements, sanitary, water, gas, electric lights, telephonic, telegraphic and power supply works
- To carry on the business of any other structural or any other architectural work of any kind whatsoever and for such purpose to prepare estimates, designs, plants, specification or models and do such other or any act that, may be requisite therefore.

Audited financial Position:

YIPL audited financial statements for last three Financial Years are as under:

Particulars	For The Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Share Capital	9,68,06,150	9,68,06,150	9,68,06,150
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	3,80,78,110	4,08,60,786	3,25,94,628
Net worth	13,48,84,260	13,76,66,936	12,94,00,778
Income including other income	2,84,67,289	3,46,90,370	2,61,07,574
Profit/ (Loss) after tax	(27,82,676)	82,66,158	47,47,454
Earnings per share (face value of 10 each)	(1.38)	4.11	2.36
Net asset value per share (Rs)	28.94	30.33	26.21

Shareholding Pattern

YIPL shareholding pattern as on the date of this Draft Red Herring Prospectus is as follows:

Equity Shares:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Mr. Pravin Kumar Agarwal	4,000	0.20 %
2.	Mr. Sudhir Kumar Agarwal	2,003,000	99.65 %
3.	Mr. Alok Kumar Agarwal	3,000	0.15 %
	Total	20,10,000	100 %

Preference Shares:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Deepa Travel Private Limited	1177248	15.35 %
2.	Garuda Aviation Services Private Limited	5251527	68.46 %
3.	Golden Chariot Hospitality Services Private Limited	481840	6.28 %
4.	Mr. Pravin Kumar Agarwal	760000	9.91 %
	Total	7670615	100 %

DECLARATION

Our Company confirms that that the Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the addresses of the Registrars of Companies where Yashvikram Infrastructure Private Limited are registered shall be submitted to the recognized stock exchanges on where the specified securities are proposed to be listed, at the time of filing the Draft Red Herring Prospectus with them.

INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and 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*” on page 91 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 ventures promoted by them with which Our Company transacts during the course of its operations

Some of our promoters are the Directors and KMP’s 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 and in terms of the agreements entered into with our Company, if any and AOA of our Company. For details please see “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 208, 251 and 91 respectively of this Draft Red Herring Prospectus.

Except as mentioned in the chapter titled ‘Our promoter and promoter group’ on page 222, 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 plant & machinery.

For details of related party transactions entered into by our Company during last financial year with our promoters, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page 249 of this Draft Red Herring Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled “*Our Group Companies*” beginning on page 232 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 the chapter titled “*Related Party Transactions*” beginning on page 249 of this Draft Red Herring Prospectus.

Except as stated in “*Related Party Transactions*” beginning on page 249 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 BENEFIT TO PROMOTERS OF OUR COMPANY

Except as stated otherwise in the chapters “*Related Party Transactions*” on page 249 of the Draft Red Herring Prospectus, there has been no payment or benefits to the Promoters during the two years prior to the 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 who are part of the promoter group:

Relation with Promoters	Mr. Pravin Kumar Agarwal
Father	Mr. Brijendra Kumar Agarwal
Mother	Mrs. Urmila Agarwal
Spouse	Mrs. Jyotsna Agarwal
Son	Manav Agarwal
Daughter	Anjali Agarwal
Sister	Mrs. Madhubala Ramakant Agarwal
Brother	Mr. Alok Agarwal
Brother	Mr. Sudhir Agarwal
Brother's wife	Mrs. Priti Sudhirkumar Agarwal
Brother's wife	Mrs. Shalini Agarwal
Spouse's Father	Late Mr. Ramgopal Goyal
Spouse's Mother	Mrs. Vrinda Goyal
Spouse's Brother	Mr. Vikas Goyal
Spouse's Sister	Mrs. Roshna Garg

In case of our Corporate Promoter:

a subsidiary or holding company of such body corporate	GLS Electrovision Private Limited. Electroplast (India) Private Limited.
Any Body Corporate in which the promoter holds ten percent or more of the equity share capital or which holds ten percent or more of the equity share capital of the promoter.	Artemis Opto Electronic Technologies Private Limited.
Any Body Corporate in which a group of individuals or companies or combination thereof which hold twenty percent or more of the equity share capital in that body corporate also holds twenty percent or more of the equity share capital of the issuer	NA

B. Companies, firms, proprietorships and HUF's which form part of our Promoter group are as follows:

As per Regulation 2(1)(zb)(iv) and 2(1)(zb)(v) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

Sr. No	Name of Promoter Group Company/Entity
1.	P.K. Explorations and Mines Private limited
2.	Dforce Electro Werke Private Limited
3.	Gallic Electro Technologies Private limited
4.	Poonam Anjali Ventures Private Limited
5.	P.K. Hospitality Services Private Limited
6.	Golden Chariot Hospitality Services Private Limited
7.	Golden Chariot Retreats and Infra Private Limited
8.	Aroma Coffees Private Limited

9.	Garuda Aviation Services Private Limited
10.	Complete Aviation Solutions Private limited
11.	Deepa Travel Private Limited
12.	Waive Premises Private Limited
13.	PK Global Trends Private Limited
14.	Rudraksha Landscapes Private Limited
15.	GLS Electrovision Private Limited
16.	MakIndian Foods Private Limited
17.	Electro Force (India) Private Limited
18.	P.K. Global Logistics (India) Private limited
19.	Pkss Infrastructure Private Limited
20.	Ayesspea Holdings & Investments Private Limited
21.	Vinayak Cement Corporation Limited
22.	NS Patil Developers Private Limited
23.	Electroplast India Private Limited
24.	Artemis Opto Electronic technologies Private Limited

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoter is the part of our Board of Directors as Chairman cum Director. As on the date of this Draft Red Herring Prospectus in none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any entities, firms or companies during preceding three years. except the following:

Sr. No	Name	Company	Date
1.	Pravin Kumar Agarwal	Golden Chariot Hospitality Services Private Limited	16/02/2017
		Golden Chariot Delhi Foods Private Limited	25/03/2016

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments*” on page 297 of this Draft Red Herring Prospectus.

CONFIRMATION

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) and are not Willful Defaulters and there are no violations of securities laws committed by our Promoter 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 have 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 249 of this Draft Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI ICDR Regulations, 2009 as amended from time to time, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable Accounting Standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered materials by our Board. Pursuant to the resolution dated June 26th, 2018, our board vide a policy of materiality has resolved that undermentioned companies shall be considered as Group companies for the purpose of disclosure in this Draft Red Herring Prospectus. Since the companies are unlisted, they have been selected by our board on the basis of highest turnover in line with the SEBI ICDR Regulations. Further, companies which have not been disclosed as related parties in the restated financial statement of our company for the last 5 financial years or which are no longer associated with our company have not been disclosed as group companies.

The following companies are identified as five largest (Based on Turnover) group companies of our company:

1. Garuda Aviation Services Private Limited
2. Golden Chariot Hospitality Services Private Limited
3. Golden Chariot Retreats and Infra Private Limited
4. P.K. Hospitality Services Private Limited
5. Electro Force (India) Private Limited

Apart from the Companies specified above, there are no companies which are considered material by the Board to be identified as a group company.

FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

1. Garuda Aviation Services Private Limited (GASPL)

Corporate Information:

GASPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on January 22nd, 1999. The registered office of company is situated at 662/37, Kanyakumari Society, Sir M. Vasanti Marg, Andheri (East), Mumbai, Maharashtra 400069, India. The Corporate Identification Number of the company is U62100MH1999PTC117985.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Pravin Kumar Brijendra Kumar Agarwal
2. Vijay Shinde Kashinath

Following is the changes in directorship in in three years preceding the date of this Draft Red Herring Prospectus:

DIN No.	As on March 31 st , 2015	As on March 31 st , 2016	As on March 31 st , 2017	As on March 31 st , 2018
00474755	Alok Kumar Brijendra Kumar Agarwal	Alok Kumar Brijendra Kumar Agarwal	Alok Kumar Brijendra Kumar Agarwal	Resigned on 19/12/2017
00845482	Pravin Kumar Brijendra Kumar	Pravin Kumar Brijendra Kumar	Pravin Kumar Brijendra Kumar	Pravin Kumar Brijendra Kumar

	Agarwal	Agarwal	Agarwal	Agarwal
00845329	Sudhir Kumar Brijendra Kumar Agarwal	Sudhir Kumar Brijendra Kumar Agarwal	Sudhir Kumar Brijendra Kumar Agarwal	Resigned on 19/12/2017
02664797	-	-	-	Jyotsna Agarwal Appointed & Resigned on 19/12/2017
02324721	-	Paichmuthu Pandara Thevar	Paichmuthu Pandara Thevar	Resigned on 17/04/2017
07856883	-	-	-	Vijay Shinde Kashinath appointed on 01/07/2017

Main Objects:

To acquire exclusive after sale services right from foreign manufacturer of aviation ground support equipment including quality control instrument and consultancy including commissioning of equipment to new airport or expansion and replacement of existing on site and manufacturing and fabricating aviation ground equipment including repairing in collaboration or under licensing of foreign manufacturer of the above equipment in India, to undertake ramp handling of airport authority under the regulation of airport authority of India which includes services, aircraft handling like attendance, marshalling, parking, starting, safety measure handling of non-schedule flights/technical landings, aircraft servicing like liaison for fuelling and liaison with suppliers for replenishing of oil and other fluids, cabin equipment, basic essential line maintenance, routine & non-routine services, cooling & heating, aircraft cleaning including exterior cleaning, interior cleaning, toilet service, water service, loading & unloading including load/unload passenger baggage, transshipment of passenger baggage, operation of loading/unloading equipment, positioning and removing of passenger stairs/bridges, emplane/deplane passenger, make-up of baggage, business of passenger/crew, bulk loading/unloading of baggage, cargo handling which include-load and offload, export, import and transshipment of cargo from the aircraft, mail handling of cargo, break/make-up of cargo, palletization/containerisation of cargo, break/make-up of cargo container/unit load device, bulk loading/unloading, security which include-watch & ward of registered baggage/cargo/aircraft & handling equipment, aircraft security/inspection in transit security/surveillance for ladders point check, security for catering items, to undertake traffic handling of airport authority under the regulation of Airport Authority of India which include-handling documents and load control, passenger and baggage handling at the airport terminals, including passenger check-in, flight operation which include-inform the carrier of an known project effecting the operational services and facilities made available to its, aircraft in the area of responsibility, flight preparation at the airport of departure, flight preparation at a point different from the airport of departure, in-flight assistance, post flight activities, in-flight re-despatch , communication system associated with ground handling, material handling , surface transport which include arrangements for the transportation of passengers/baggage and cargo between separate terminals at the same airport, arrangements for passenger/crew transport together with their baggage airport and city or other agreed points, representational services which include- liaison with local authorities, information to interested parties, movement of the carrier aircraft, disbursement of payment on behalf of the carrier at all airports, supervision and administration services, security which include- registered baggage x-ray scan checks (baggage and cargo), surveillance/vigilance for registered baggage at baggage makeup/break up area of the airport, baggage identification/ watch and ward of registered baggage, to provide city side transport services to all operators and aircraft owners to transport their crew and passengers, to participate in tenders pertaining to various government agencies to undertake works relating to services at airport viz. management of car parking, management of left luggage facilities,

retrieval of trolleys, advertisement at airport, providing catering staff, catering services and to undertake any other work/works with the prior approval of the airport authority.

Nature and extent of Interest of our promoters and promoter group:

Our promoter and promoter group hold 100% of equity shares of this company

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	35,00,000
Issued, Subscribed and Paid-up Capital	32,64,850

Shareholding Pattern: Shareholding pattern of GASPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Shares held	% of Shareholding
1.	Pravin Kumar Agarwal	32,63,850	99.97
2.	Jyotsna Agarwal	1,000	0.03
Total		32,64,850	100.00

Audited financial Position: GASPL audited financial statements for last three financial years are as under:

Particulars	For The Year Ended		
	March 31 st , 2017	March 31 st , 2016	March 31 st , 2015
Equity Capital	3,26,48,500	3,26,48,500	3,26,48,500
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	12,42,37,741	10,13,11,535	11,40,62,005
Net worth	15,68,86,241	13,39,60,035	14,67,10,505
Income including other income	39,20,57,287	34,88,36,812	33,83,45,993
Profit/ (Loss) after tax	2,23,96,508	(1,27,50,467)	64,38,135
Earnings per share Basic & Diluted (face value of 10 each)	6.86	(3.91)	1.97
Net asset value per share (Rs)	48.05	41.03	44.93

2. Golden Chariot Hospitality Services Private Limited (GCHPL)

Corporate Information:

GCHPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on March 21st, 2000. The registered office of company is situated at Shop no 23, The Hub Mall, Western Express Highway, Next to Nirlon, Goregaon (East), Mumbai, Maharashtra, 400063, India. The Corporate Identification Number of the company is U55204MH2000PTC125055.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Ram Niranjana Bhutra
2. Jyotsna Agarwal

Following is the changes in directorship in in three years preceding the date of this Draft Red Herring Prospectus:

DIN	As on March 31 st , 2015	As on March 31 st , 2016	As on March 31 st , 2017	As on March 31 st , 2018
06861940	Vinod Ramdas Rao	Resigned on 23/11/2015	-	-
01459092	-	Ram Niranjana Bhutra	Ram Niranjana Bhutra	Ram Niranjana Bhutra
00845482	-	Pravinkumar Agarwal Appointed on 31/08/2016 and Resigned on 22/10/2016	Pravinkumar Agarwal Appointed on 15/02/2017 and Resigned on 16/02/2017	-
07766461	-	-	Avinash More Appointed on 16/3/17	Avinash More Resigned on 31/8/17
02664797	Jyotsna Agarwal	Jyotsna Agarwal	Jyotsna Agarwal	Jyotsna Agarwal

Main Objects:

1. To carry on the business of catering, both indoor and outdoor, caters for public amusements, recreation, sports, and entertainment.
2. To carry on the business of hotel, resort, café, tavern, amusement park, refreshment room and lodging house keepers and caters for public amusement.

Nature and extent of Interest of our promoters and promoter group:

Our promoter and promoter group hold 100% of equity shares of this company

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	10,00,000
Issued, Subscribed and Paid-up Capital	10,00,000

Shareholding Pattern: Shareholding pattern of GCHSPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Pravin Agarwal	5,02,600	50.26
2.	Jyotsna Agarwal	1,20,200	12.02
3.	Garuda Aviation Services Pvt. Ltd.	3,47,200	34.72
4.	Yashvikram Infrastructure Pvt. Ltd.	30,000	3.00
Total		10,00,000	100.00

Audited financial Position: GCHSPL audited financial position for last three financial years are as under:

Particulars	For The Year Ended		
	March 31 st , 2017	March 31 st , 2016	March 31 st , 2015
Equity Capital	1,00,00,000	1,00,00,000	1,00,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	15,47,59,062	15,80,37,806	16,14,31,949
Net worth	16,47,59,062	16,80,37,806	17,14,31,949

Income including other income	28,16,75,539	19,07,09,207	16,90,54,373
Profit/ (Loss) after tax	34,92,673	37,80,327	(54,09,901)
Earnings per share Basic & Diluted (face value of 10 each)	3.49	3.78	(5.41)
Net asset value per share (Rs)	164.75	168.04	171.43

3. Golden Chariot Retreats and Infra Private Limited (GCR IPL)

Corporate Information:

GCR IPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on November 18th, 2014. The registered office of company is situated at Shop no. 23, The Hub Mall, Western Express Highway, Next to Nirlon, Goregaon (East), Mumbai, Maharashtra 400063, India. The Corporate Identification Number of the company is U55204MH2014PTC259452.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Pravin Kumar Brijendra Kumar Agarwal
2. Ram Niranjana Agarwal
3. Jyotsna Agarwal

Following is the changes in directorship in in three years preceding the date of this Draft Red Herring Prospectus:

DIN	As on March 31 st , 2015	As on March 31 st , 2016	As on March 31 st , 2017	As on March 31 st , 2018
00845482	Pravin Kumar Brijendra Kumar Agarwal	Pravin Kumar Brijendra Kumar Agarwal	Pravin Kumar Brijendra Kumar Agarwal	Pravin Kumar Brijendra Kumar Agarwal
02664797	Jyotsna Agarwal	Jyotsna Agarwal	Jyotsna Agarwal	Jyotsna Agarwal
01459092	-	Ram Niranjana Bhutra appointed on 15/05/2015	Ram Niranjana Bhutra	Ram Niranjana Bhutra

Main Objects:

1. To carry on all the business of hotels, restaurants, cafes, holiday camps, resorts, taverns, beer-houses, refreshment rooms, night clubs, cabarets and swimming pools and Turkish baths and lodging or apartment house keepers, licensed victual, wine, beer and spirit merchants, brewers, distillers, bakers, importers and manufactures of aerated mineral and artificial water and other drinks. To carry on all the business of purveyors, caterers for public generally, taxi, motor car and motor lorry proprietors, livery, stable and garage proprietors, farmers, dairymen, ice merchants, importers and brokers of food, live and dead stock and foreign produce of all descriptions, hair dressers, perfumers, chemists, Proprietors of clubs, baths, bars, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement, recreation, sport, entertainment of all kinds, health club, beauty salons, indoor and outdoor playgrounds and stadiums, swimming pools, video and other fun game rooms, race courses, meditation centers, boating clubs, flying clubs, freezing hot preservation and baking chambers, and other apartments, tobacco and cigar merchants, agents for railways, shipping and airline companies and carriers and theatrical and box office proprietors entrepreneurs.

2. To acquire by purchase, lease, exchange or otherwise lands, buildings, structures of any description in India or abroad and estate or interest therein and rights over or in connected with land, building, and structures for constructing, developing, reconstructing, altering, improving, decorating, furnishing, maintaining townships, markets, industrial estate, industrial parks, farms, farm houses, offices, flats, apartments, factories, warehouses, hotels, motels, holiday resorts, club house, recreational centers, bridges, other infrastructural projects, or other buildings residential or commercial of all kinds and conveniences thereon and sell the same on ownership basis, installments basis, hire purchase basis, lease basis or otherwise transfer such building to co-operative society or association of persons or individuals as the case may be.

Nature and extent of Interest of our promoters and promoter group:

Our promoter and promoter group hold 100% of equity shares of this company

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	30,00,000
Issued, Subscribed and Paid-up Capital	25,75,000

Shareholding Pattern: Shareholding pattern of GCRIPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	AYESSPEA Holdings & Investments Pvt. Ltd.	11,57,143	44.94
2.	Pravin Agarwal	13,42,857	52.15
3.	Golden Chariot Hospitality Services Pvt. Ltd.	75,000	2.91
Total		25,75,000	100.00

Audited financial Position: GCRIPL audited financial statements for last three financial years are as under:

Particulars	For The Year Ended		
	March 31 st , 2017	March 31 st , 2016	March 31 st , 2015
Equity Capital	2,57,50,000	57,50,000	1,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	6,51,34,258	65,33,132	6,60,238
Net worth	9,08,84,258	1,22,83,132	7,60,238
Income including other income	15,41,01,842	25,17,99,844	32,35,984
Profit/ (Loss) after tax	86,01,126	65,22,894	660,238
Earnings per share Basic & Diluted (face value of 10 each)	14.68	52.21	8.80
Net asset value per share (Rs)	35.29	21.36	76.02

4. P.K Hospitality Services Private Limited (PKHSPL)

Corporate Information:

PKHSPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on March 23rd, 2000. The registered office of company is situated at 662/38, Kanyakumari Society, Sir. M. Vasanji Marg, Andheri (East), Mumbai, Maharashtra, 400069, India. The Corporate Identification Number of the company is U55100MH2000PTC125158.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Pravin Kumar Brijendra Kumar Agarwal
2. Vijay Shinde Kashinath

Following is the changes in directorship in in three years preceding the date of this Draft Red Herring Prospectus:

DIN	As on March 31 st , 2015	As on March 31 st , 2016	As on March 31 st , 2017	As on March 31 st , 2018
00474755	Alok Kumar Brijendra Kumar Agarwal	Alok Kumar Brijendra Kumar Agarwal	Alok Kumar Brijendra Kumar Agarwal	Resigned on 19/12/2017
00845482	Pravin Kumar Brijendra Kumar Agarwal	Pravin Kumar Brijendra Kumar Agarwal	Pravin Kumar Brijendra Kumar Agarwal	Pravin Kumar Brijendra Kumar Agarwal
00845329	Sudhir Kumar Brijendra Kumar Agarwal	Sudhir Kumar Brijendra Kumar Agarwal	Sudhir Kumar Brijendra Kumar Agarwal	Resigned on 19/12/2017
02664797	-	-	-	Mrs. Jyotsna Agarwal Appointed on 19/12/2017 and resigned on 19/12/17
07856883	-	-	-	Vijay Shinde Kashinath appointed 19/12/2017

Main Objects:

1. To carry on the business of catering, both indoor and outdoor, caters for public amusements, recreation, sports and entertainment.
2. To carry on the business of hotel resort, cafe, tavern, amusing park, refreshment room and lodging house keepers, caters for public amusement.
3. To carry on, within or outside India, business of collecting, segregating, transporting, trading, processing, composting, recycling, treatment and disposal of all types of solid waste including municipal solid waste, electronic waste (e waste), bio-medical waste, hazardous waste, sewage, waste water, undertake use, sale, marketing and/or distribution of all products and by-products that are generated in the process of treatment or disposal of waste and waste products (compost, energy and refuse derived fuel generated form waste to energy processes such as bio methanation, methane gas from landfill, processing, electronic products suitable for re-use with or without refurbishing paper, metals and other materials including chemicals obtained from treatment of wastes) and to develop, construct, operate and/or maintain/manage processing facilities for all types of waste and waste products including composting plants, landfills and sewages treatment plants, waste water treatment plants, incinerators, refuse derived field plants and electronic waste processing plants. To undertake solid waste management work in whole or in part either on contract basis for any person or government authorities or private authorities or otherwise.
4. To carry on the business of developers, builders, general construction contractors, estate agents, erectors, constructors of buildings, houses, apartments, structures, villas, restaurants, shelters, civil engineering and or residential, office, industrial premises and to undertake execution of various

infrastructure projects, contracts in joint venture or otherwise in India or abroad and to acquire, accept and participate fully or partly in any kind of contract, agreement, arrangements or understanding in order to collect and transfer any kind of Revenue like Toll, Octroi for and on behalf of Government, Semi-Government, and Private Agencies.

Nature and extent of Interest of our promoters and promoter group:

Our promoter and promoter group hold 99.58% of equity shares of this company

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	1,00,00,000
Issued, Subscribed and Paid-up Capital	75,05,610

Shareholding Pattern: Shareholding pattern of PKHSPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Pravin Kumar Agarwal	44,04,610	58.68
2.	Jyotsna Agarwal	1,000	0.01
3.	Deepa Travel Pvt. Ltd.	4,30,000	5.73
4.	Yash Vikram Infrastructure Pvt. Ltd.	2,94,000	3.92
5.	Seven Hills Buildcon Pvt. Ltd.	26,000	0.35
6.	AYESSPEA Holding & Investments Pvt. Ltd.	19,80,000	26.38
7.	Garuda Aviation Services Pvt. Ltd.	3,70,000	4.93
Total		75,05,610	100.00

Audited financial Position: PKHSPL audited financial position for last three financial years are as under:

Particulars	For The Year Ended		
	March 31 st , 2017	March 31 st , 2016	March 31 st , 2015
Equity Capital	6,00,56,100	5,02,56,100	5,02,56,100
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	54,66,17,503	41,65,23,343	39,04,15,656
Net worth	60,66,73,603	46,67,79,443	44,06,71,756
Income including other income	1,12,83,84,631	91,64,36,859	1,36,92,15,019
Profit/ (Loss) after tax	4,87,54,160	2,61,07,687	7,20,84,837
Earnings per share Basic & Diluted (face value of 10 each)	9.70	5.19	14.34
Net asset value per share (Rs)	101.01	92.88	87.68

5. Electro Force (India) Private Limited (EFIPL)

Corporate Information:

EFIPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on June 14th, 2010. The registered office of company is situated at 39/5, Mauje Waliv, Vasai (East), Thane, Mumbai, Maharashtra 401208, India. The Corporate Identification Number of the company is U51909MH2010PTC204214.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Ram Niranjana Bhutra
2. Jyotsna Agarwal

Following is the changes in directorship in in three years preceding the date of this Draft Red Herring Prospectus:

DIN	As on March 31 st , 2015	As on March 31 st , 2016	As on March 31 st , 2017	As on March 31 st , 2018
00474755	Alok Kumar Brijenda Kumar Agarwal	Alok Kumar Brijenda Kumar Agarwal	Alok Kumar Brijenda Kumar Agarwal	Appointed since incorporation and resigned on 01/01/2018
00845329	Sudhir Kumar Brijendra Kumar Agarwal	Sudhir Kumar Brijendra Kumar Agarwal	Sudhir Kumar Brijendra Kumar Agarwal	Appointed on 23/08/2010 and resigned on 01/01/2018
02664797	Mrs. Jyotsna Agarwal	Mrs. Jyotsna Agarwal	Mrs. Jyotsna Agarwal	Mrs. Jyotsna Agarwal
01459092	-	-	-	Ram Niranjana Bhutra appointed on 01/01/2018

Main Objects:

1. To carry on the business in India and abroad as Manufacturing, Traders, Distributors, Dealers, Exporter, Importer, Brokers, Stockiest & Commission agent, Agency business, Selling & Marketing Business, Electro, Electronic and Instrumentation Items, Components and Devices, Hardware, Assembling, Fabricating and Processors of Agricultural, Commercial, Industrial products, Household, Domestic, Automobiles, Farms and Forest product, Food product, Leather & Leather Products, Rubber and rubber product, Petroleum and Petroleum Products, Engineering product goods, Plant and Machinery, Equipment, Apparatus and other Gadgets, Appliances, Accessories, Spare parts, Computer Hardware, Software, all type. of Dyes & Chemicals, Minerals, Pharmaceutical, Wool, Silk, Yarn, Fibers, Garments, Textiles, Cold Storage, Property & Structure Development, Paper & all kind of Boards, Tea, Timber Products, Rubber, Plastics, Footwear, Marble, Granites, Cement and Ceramic Tiles, Pesticides, Glass A Glassware, Tires & Tubes, Cement, Fertilizers, Iron & Steel, Copper, Gold, Silver, Diamonds, Precious Stones and Jewelry, Ferrous & Non Ferrous Metals, Electronic toys, Games, Batteries, Button Cells, Telephones & Sim-cards, Gas Lighters, Calculating Machines, Electronic Organizers, Computer Floppy Diskettes, Audio, video tapes, Compact Discs, T.V. Software, Film and TV Serials, e- commerce, web based solutions and internet portals or any other merchandise and commodity. No money circulating schemes will be carried out by the Company. The company shall undertake not to carry on any scheme/activity which is prohibited under the Act, the prize chits and money circulation scheme (Banning) Act 1978.

2. To act as consultants, advisors, supervisors, managing officers, liaising officers and to prepare estimates, designs, plants specifications, models and to procure quotations, conduct site selection, site planning, site supervision, site control, monitoring stage wise completion of work, coordination with various consultants, for purposes of construction of real estates, commercial and residential

complexes, flats, building, roads, railways and tramways, docks, harbors, Piers, wharves, canals, serial runways and hangers, airports, reservoirs, embankments, hotels, cold storages, warehouses, cinema houses, markets, public and other buildings, whether in India and abroad

Nature and extent of Interest of our promoters and promoter group:

Our promoter and promoter group hold 100% of equity shares of this company

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	50,00,000
Issued, Subscribed and Paid-up Capital	50,00,000

Shareholding Pattern: Shareholding pattern of EFIPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of shares	Percentage (%)
1.	P.K. Hospitality Services Pvt Ltd	2,250,000	45.00
2.	Ayesspea Holdings & Investments Pvt. Ltd.	1,705,000	34.10
3.	Garuda Television Pvt Ltd	990,000	19.80
4.	Pravin Kumar Agarwal	54,000	1.08
5.	Jyotsna Agarwal	1,000	0.02
Total		50,00,000	100.00

Audited financial Position: EFIPL audited financial position for last three financial years are as under:

Particulars	For The Year Ended		
	March 31 st , 2017	March 31 st , 2016	March 31 st , 2015
Equity Capital	5,00,00,000	5,00,00,000	5,00,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	(2,60,48,581)	(2,87,25,766)	(2,37,53,881)
Net worth	2,39,51,419	2,12,74,234	2,62,46,119
Income including other income	11,79,94,049	8,99,40,069	11,67,28,619
Profit/ (Loss) after tax	26,77,185	(49,71,885)	6,05,344
Earnings per share Basic & Diluted (face value of 10 each)	0.54	(0.99)	0.12
Net asset value per share (Rs)	4.79	4.25	5.25

Confirmations:

None of the securities of our group companies are listed on any stock exchange and none of our Group companies have made any public or rights issue of securities in the preceding three years. Our group company has not been declared as will full 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 are not declared as SICK companies under the SICA. Additionally, Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

LITIGATION

For details on litigations and disputes pending against the Promoter and Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 297 of this Draft Red Herring Prospectus.

DISSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

Our Promoter, Mr. Pravin Kumar Brijendra Kumar Agarwal & M/s Yashvikram Infrastructure Private Limited have not disassociated themselves from any Companies/entities in the last three years except following:

Mr. Pravin Kumar Brijendra Kumar Agarwal

Name of Entity	Type	Date of Disassociation	Reason for Disassociation
Directorships			
Golden Chariot Delhi Foods Private Limited	Private Limited Company	March 25 th , 2016	The name of the company was struck off by Registrar of Companies on application made by the company.
Golden Chariot Hospitality Services Private Limited	Private Limited Company	February 16 th , 2017	Resignation from directorship of the company

NEGATIVE NET WORTH

Following are our group companies as on the date of their respective last audited financial statements:

1. MakIndian Foods Private Limited (MFPL)

Corporate Information:

MFPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on July 19th, 2007. The registered office of company is situated at Shop No. 13, Nidhivan CHSL, P. No. 166 Upper Govind Nagar, Malad (East), Mumbai, Maharashtra 401208, India. The Corporate Identification Number of the company is U45205MH2007PTC172508.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Pravin Kumar Brijendra Kumar Agarwal
2. Ram Niranjana Bhutra

Main Objects:

To carry on the business on its own account and on account of its constituents to deal in manufacture, process, buy, sell, cook, pack, distribute, marketing and trading of all classes and types of food, food products, ice creams, milk products including Indian as well as continental items and selling them through appointment of distributors, dealers, retailer, other intermediaries, running food plazas, fast food centers, restaurants, hotels, catering services, food consultancy services, consultancy and coaching services for hotels and restaurants in India and abroad, prepare for market in all classes and kinds of food products.

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	10,00,000
Issued, Subscribed and Paid-up Capital	10,00,000

Shareholding Pattern: Shareholding pattern of MFPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of shares	Percentage (%)
1.	Pravin Kumar Agarwal	1	0.01
2.	P.K. Hospitality Services Pvt. Ltd.	9,99,999	99.99
	Total	10,00,000	100.00

Audited financial Position: MFPL audited financial position for last financial years are as under:

Particulars	For The Year Ended
	March 31 st , 2017
Equity Capital	1,00,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	(6,61,25,305)
Net worth	(5,61,25,305)
Income including other income	45,500
Profit/ (Loss) after tax	(1,62,45,829)
Earnings per share Basic & Diluted (face value of 10 each)	(16.25)
Net asset value per share (Rs)	(5.61)

2. Gallic Electro Technologies Private Limited (GETPL)**Corporate Information:**

GETPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on August 16th, 2010. The registered office of company is situated at Shop No. 13, Nidhivan CHSL, P. No. 166 Upper Govind Nagar, Malad (East), Mumbai, Maharashtra 401208, India. The Corporate Identification Number of the company is U31908MH2010PTC206656.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Avinash Tukaram More
2. Vijay Shinde Kashinath

Main Objects:

To carry on the business in India and abroad as Manufacturer of electrical equipment, Traders, Distributors, Dealers, Exporters, Importers, Brokers, Stockist, & commission agent, Agency Business, Selling & Marketing Business, Electrical, Engineering, Machinery, Equipment and providing Technical Services. No money circulating schemes will be carried out by the company.

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	1,00,000
Issued, Subscribed and Paid-up Capital	12,000

Shareholding Pattern: Shareholding pattern of GETPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of shares	Percentage (%)
1.	Pravin Kumar Agarwal	11,000	91.67
2.	P.K. Hospitality Services Pvt. Ltd.	1,000	8.33
	Total	12,000	100.00

Audited financial Position: GETPL audited financial position for last financial years are as under:

Particulars	For The Year Ended
	March 31 st , 2017
Equity Capital	1,20,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	(91,66,570)
Net worth	(90,46,570)
Income including other income	36,660
Profit/ (Loss) after tax	(16,81,170)
Earnings per share Basic & Diluted (face value of 10 each)	(140.10)
Net asset value per share (Rs)	(753.88)

3. Aroma Coffees Private Limited (ACPL)

Corporate Information:

ACPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on August 10th, 2007. The registered office of company is situated at Shop No. 13, Nidhivan CHSL, P. No. 166 Upper Govind Nagar, Malad (East), Mumbai, Maharashtra 401208, India. The Corporate Identification Number of the company is U55209MH2007PTC173030.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Jyotsna Agarwal
2. Vijay Shinde Kashinath

Main Objects:

To carry on the business on its own account and on account of its constituents to deal in manufacture, process, buy, sell, pack, distribute, marketing and trading, importing, exporting coffees including Indian as well as continental and selling them through appointment of distributors, dealers, retailers, other intermediaries, running chain of coffee house including coffee outlets and restaurants in India and abroad, prepare for market in all classes and kinds of coffee products.

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	50,000
Issued, Subscribed and Paid-up Capital	50,000

Shareholding Pattern: Shareholding pattern of ACPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of shares	Percentage (%)
1.	Pravin Kumar Agarwal	49,000	98.00
2.	Jyotsna Agarwal	1,000	2.00
	Total	50,000	100.00

Audited financial Position: ACPL audited financial position for last financial years are as under:

Particulars	For The Year Ended
	March 31 st , 2017
Equity Capital	5,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	(27,45,690)
Net worth	(22,45,690)
Income including other income	3,05,37,051
Profit/ (Loss) after tax	(5,11,930)
Earnings per share Basic & Diluted (face value of 10 each)	(10.24)
Net asset value per share (Rs)	(44.91)

4. P K Explorations & Mines Private Limited

Corporate Information:

PKEMPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on November 03rd, 2004. The registered office of company is situated at Shop No. 13, Nidhivan CHSL, P. No. 166 Upper Govind Nagar, Malad (East), Mumbai, Maharashtra 401208, India. The Corporate Identification Number of the company is U14106MH2004PTC149373.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Jyotsna Agarwal
2. Vijay Shinde Kashinath

Main Objects:

To carry on the business to Purchase, Export, Import, take on lease, acquire, license, purchase, grants, decrees, rights, powers, and privileges, work, develop, carryout, exercise any mines and mining lands in India or abroad and to carry on the business of mining, winning, crushing, developing, exploring, processing, smelling, opening, working, drilling, refining silica sand, clay, Felspar, ores, metals, minerals, sands, oils, precious metals, stones, limestones, bauxite, iron ore, silica, lime, calcite, coal, lignite, rock phosphate, rare earths, brine, oils, diamonds, aplite, chrome, copper, brass, gypsum, tin, Sulphur, uranium, tungsten, nickel, manganese, aluminum, silver, gold and other mines and minerals and to provide consultancy for the same.

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	10,000
Issued, Subscribed and Paid-up Capital	10,000

Shareholding Pattern: Shareholding pattern of PKEMPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of shares	Percentage (%)
1.	Pravin Kumar Agarwal	9,000	90.00
2.	Jyotsna Pravin Agarwal	1,000	10.00
	Total	10,000	100.00

Audited financial Position: PKEMPL audited financial position for last financial years are as under:

Particulars	For The Year Ended
	March 31 st , 2017
Equity Capital	1,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	(2,81,767)
Net worth	(1,81,767)
Income including other income	-
Profit/ (Loss) after tax	(12,100)
Earnings per share Basic & Diluted (face value of 10 each)	(1.21)
Net asset value per share (Rs)	(18.17)

5. Complete Aviation Solutions Private Limited

Corporate Information:

CASPL was incorporated under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on March 24th, 2007. The registered office of company is situated at Shop No. 13, Nidhivan CHSL, P. No. 166 Upper Govind Nagar, Malad (East), Mumbai, Maharashtra 401208, India. The Corporate Identification Number of the company is U63033MH2007PTC169142.

Board of Directors:

The Board of Directors as on date of this Draft Red Herring Prospectus is as under:

1. Sudhir Kumar Brijendra Kumar Agarwal
2. Priti Sudhir Agarwal

Main Objects:

To carry on the business to acquire exclusive after sale services right from foreign manufacturer of aviation ground support equipment including quality control instrument and consultancy including commissioning of equipment to new airport or expansion and replacement of existing on site and manufacturing and fabricating aviation ground equipment including repairing in collaboration or under licensing of foreign manufacturer of the above equipment in India, to undertake ramp handling of airport authority under the regulation of airport authority of India which includes services, aircraft handling like attendance, marshalling, parking, starting, safety measure handling of non-schedule flights/technical landings, aircraft servicing like liaison for fuelling and liaison with suppliers for replenishing of oil and other fluids, cabin equipment, basic essential line maintenance, routine & non-routine services, cooling & heating, aircraft cleaning including exterior cleaning, interior cleaning, toilet service, water service, loading & unloading including load/unload passenger baggage,

transshipment of passenger baggage, operation of loading/unloading equipment, positioning and removing of passenger stairs/bridges, emplane/deplane passenger, make-up of baggage, business of passenger/crew, bulk loading/unloading of baggage, cargo handling which include-load and offload, export, import and transshipment of cargo from the aircraft, mail handling of cargo, break/make-up of cargo, palletization/containerisation of cargo, break/make-up of cargo container/unit load device, bulk loading/unloading, security which include-watch & ward of registered baggage/cargo/aircraft & handling equipment, aircraft security/inspection in transit security/surveillance for ladders point check, security for catering items, to undertake traffic handling of airport authority under the regulation of Airport Authority of India which include-handling documents and load control, passenger and baggage handling at the airport terminals, including passenger check-in, flight operation which include-inform the carrier of an known project effecting the operational services and facilities made available to its, aircraft in the area of responsibility, flight preparation at the airport of departure, flight preparation at a point different from the airport of departure, in-flight assistance, post flight activities, in-flight re-despatch , communication system associated with ground handling, material handling , surface transport which include arrangements for the transportation of passengers/baggage and cargo between separate terminals at the same airport, arrangements for passenger/crew transport together with their baggage airport and city or other agreed points, representational services which include- liaison with local authorities, information to interested parties, movement of the carrier aircraft, disbursement of payment on behalf of the carrier at all airports, supervision and administration services, security which include- registered baggage x-ray scan checks (baggage and cargo), surveillance/vigilance for registered baggage at baggage makeup/break up area of the airport, baggage identification/ watch and ward of registered baggage, to provide city side transport services to all operators and aircraft owners to transport their crew and passengers, to participate in tenders pertaining to various government agencies to undertake works relating to services at airport viz. management of car parking, management of left luggage facilities, retrieval of trolleys, advertisement at airport, providing catering staff, catering services and to undertake any other work/works with the prior approval of the airport authority.

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	50,000
Issued, Subscribed and Paid-up Capital	10,000

Shareholding Pattern: Shareholding pattern of CASPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of shares	Percentage (%)
1.	Pravin Kumar Agarwal	5,000	50.00
2.	Alok Kumar Agarwal	5,000	50.00
Total		10,000	100.00

Audited financial Position: CASPL audited financial position for last financial years are as under:

Particulars	For The Year Ended
	March 31 st , 2017
Equity Capital	1,00,000
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	(1,07,859)
Net worth	(7,859)
Income including other income	-

Profit/ (Loss) after tax	(12,525)
Earnings per share Basic & Diluted (face value of 10 each)	(1.25)
Net asset value per share (Rs)	(0.78)

DEFUNCT/ STRUCK- OFF COMPANY

Our group company has not 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 company has no interest in the promotion of our Company.

Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing of this Draft Red Herring Prospectus:

Our group company has no interest in the properties acquired by our Company within the two years of the date of filing this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery:

Our group company has no interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

COMMON PURSUITS

Our group company is not engaged in the same line of business or have any common pursuits as our Company.

SALES/ PURCHASES BETWEEN OUR COMPANY & GROUP COMPANY

Other than disclosed in the chapter titled “Related Party Transactions” on page 249 of this Draft Red Herring Prospectus, there are no sales/ purchases between company and our group company.

PAYMENT OR BENEFIT TO OUR GROUP COMPANY

Except as stated in chapter titled “Related Party Transactions” on page 249 of this Draft Red Herring Prospectus, there has been no payment of benefits to our group company for the financial years ended on March 31, 2018, 2017, 2016, 2015 and 2014 nor is any benefit proposed to be paid them.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to “*Note 28 – Related Party Disclosures*” of *Annexure V* of re – stated standalone financial statements under the section titled, *Financial Statements as re – stated* beginning on page 251 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013, a company can pay dividends upon a recommendation by its Board of Directors and approval by the shareholders at the annual general meeting of our company. The Articles of Association of our company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our company also gives the discretion to its Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of the profits of our 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 the both.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of our company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions, other factors considered relevant by the Board of Directors, applicable taxes including dividend distribution tax payable by the Company.

In past five years, our company has not declared any interim or final dividend on the Equity Shares inter alia, on account of deployment of our Company's profits towards growth strategies. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our company. When the 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 after the record date, will not be entitled for the dividend declared by our company.

SECTION V – FINANCIAL STATEMENTS**FINANCIAL STATEMENTS AS RE-STATED****Independent Auditor’s Report on the Restated Financial Statements**

To,
 The Board of Directors,
 Artemis Electricals Limited
 Artemis Complex, Gala No. 105 & 108,
 National Express Highway, Vasai (East),
 Thane – 401208, Maharashtra, India

Auditors’ Report on Restated Standalone Financial Information in connection with the Initial Public Offering of Artemis Electricals Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated May 21st, 2018.
2. The accompanying restated financial information, expressed in Indian Rupees, in Lakhs, of Artemis Electricals Limited (hereinafter referred to as the “Company”), comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as “Restated Financial Information”), has been prepared by the Management of the Company in accordance with the requirements of section 26 of the Companies Act, 2013 (hereinafter referred to as the “Act”) read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the “Rules”) and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date issued by SEBI on August 26, 2009 read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the “SEBI Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”) in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the “Issue”) and has been approved by the Board of Directors and initialed by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, (all of which were expressed in Indian Rupees), on which we have expressed unmodified audit opinions vide our reports dated May 28, 2018, August 09, 2017, August 18, 2016, September 02, 2015 and August 27, 2014 respectively.

Management’s Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on May 28, 2018 for the purpose set out in paragraph 13 below. The Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors’ Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable

authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 26 of the Act read with applicable provisions within Rule 4 to Rule 6 of the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Financial Information as per audited standalone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Standalone Financial Information of the Company:
 - a) the “Restated Statement of Assets and Liabilities ” as at March 31, 2018, 2017, 2016, 2015 and 2014 (enclosed as Annexure I);
 - b) the “Restated Statement of Profit and Loss” for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 (enclosed as Annexure II) and
 - c) the “Restated Statement of Cash Flows” for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 (enclosed as Annexure III).
6. The Restated Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited financial statements of the Company read with paragraph 7 below, as at March 31, 2018, 2017, 2016, 2015 and 2014, all of which expressed in Indian Rupees and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, all of which expressed in Indian Rupees.
7. We draw your attention to the following:
 - a) the Restated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 9(i) below);
 - b) the Restated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2018. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2018.

B. Other Financial Information:

9. At the Company’s request, we have also examined the following Other Financial Information relating to the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 proposed to be included in the offer document, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
 - a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure IV
 - b) Notes to the Restated Standalone Financial Information as enclosed in Annexure V
 - c) Restated Statement of Reserves & Surplus as enclosed in Annexure VI
 - d) Restated Statement of Secured Borrowings as enclosed in Annexure VII
 - e) Restated Statement of Principle Terms of Secured Borrowings outstanding as at March 31, 2018 as enclosed in Annexure VII(A)
 - f) Restated Statement of Unsecured Borrowings as enclosed in Annexure VIII
 - g) Restated Statement of Current Liabilities & Provisions as enclosed in Annexure IX
 - h) Restated Statement of Investments as enclosed in Annexure X
 - i) Restated Statement of Trade Receivables as enclosed in Annexure XI
 - j) Restated Statement of Loans and Advances as enclosed in Annexure XII

- k) Restated Statement of Other Current Assets as enclosed in Annexure XIII
 - l) Restated Statement of Other Income as enclosed in Annexure XIV
 - m) Restated Statement of Accounting Ratios as enclosed in Annexure XV
 - n) Restated Statement of Capitalisation as enclosed in Annexure XVI
 - o) Restated Statement of Tax Shelter as enclosed in Annexure XVII
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

11. In our opinion:
- a) the Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
 - b) there have been no changes in accounting policies of the Company (as disclosed in Annexure IV to this report);
 - c) there are no qualifications in the Auditors' Report which require any adjustments; and
 - d) there are no extra – ordinary items which needs to be disclosed separately.
12. This report should not in any way be construed as a re – issuance or re – dating of any of the previous audit reports issued by us on the financial statements of the Company.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

SD/-
Piyush Agarwal

Partner

Membership No. **135505**

Place: Mumbai
Dated: 28/05/2018

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Artemis Electricals Limited		
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Annexure I - Restated Statement of Assets and Liabilities of Artemis Electricals Limited
(Rs. in lakhs)

Particulars	Notes / Annexures	As at				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Equity and Liabilities						
Shareholders' Funds						
Share Capital	Annexure V, Note 1	443.70	443.70	443.70	238.91	238.91
Reserve & Surplus	Annexure V, Note 2	1,365.85	409.64	228.87	7.08	(25.33)
Non Current Liabilities						
Long Term Borrowings	Annexure V, Note 3	1,076.28	42.22	34.93	128.00	136.92
Deferred Tax Liabilities (Net)	Annexure V, Note 4	15.56	2.26	0.59	2.54	(1.02)
Current Liabilities						
Short Term Borrowings	Annexure V, Note 5	151.28	-	-	-	-
Trade Payables	Annexure V, Note 6	2,002.51	797.20	114.61	98.89	87.33
Other Current Liabilities	Annexure V, Note 7	1,066.58	112.34	499.42	19.49	27.55
Short Term Provisions	Annexure V, Note 8	610.83	161.71	56.75	17.00	12.52
Total		6,732.59	1,969.07	1,378.88	511.92	476.88
Assets						
Fixed Assets:						
Tangible Assets	Annexure V, Note 9	1,631.38	133.15	118.99	118.24	112.71
Intangible Assets	Annexure V, Note 9	-	-	-	-	-
Non Current Investments	Annexure V, Note 10	141.00	141.00	141.00	-	-
Long Term Loans & Advances	Annexure V, Note 11	141.77	209.79	160.94	4.86	6.58
Current Assets						
Inventories	Annexure V, Note 12	1,921.22	427.10	289.77	82.63	119.55
Trade Receivables	Annexure V, Note 13	2,501.90	1,003.70	629.89	202.54	197.42
Cash and Bank Balances	Annexure V, Note 14	2.55	4.74	7.70	81.89	17.38
Other Current Assets	Annexure V, Note 15	392.77	49.59	30.60	21.75	23.23
Total		6,732.59	1,969.07	1,378.88	511.92	476.88
The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.						

Annexure II - Restated Statement of Profit and Loss of Artemis Electricals Limited**(Rs. in lakhs)**

Particulars	Notes / Annexures	For the year ended				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Income						
Revenue from Operations	Annexure V, Note 16	8,947.63	4,723.87	4,531.21	890.95	661.44
Other Income	Annexure V, Note 17	3.68	-	2.66	3.11	1.77
Total		8,951.31	4,723.87	4,533.87	894.06	663.20
Expenditure						
Cost of Material Consumed	Annexure V, Note 18	7,403.49	4,019.49	4,065.56	560.93	426.39
Cost of Stores and Consumables Consumed	Annexure V, Note 19	8.40	5.78	13.19	5.29	5.74
Changes in Inventories of Finished Goods	Annexure V, Note 20	(510.78)	107.72	(151.06)	24.05	5.89
Employee Benefit Expenses	Annexure V, Note 21	143.17	111.06	94.45	98.83	89.43
Finance Costs	Annexure V, Note 22	36.91	0.61	20.76	0.49	1.35
Depreciation and Amortisation Expense	Annexure V, Note 23	51.83	23.54	16.89	15.23	14.74
Other Expenses	Annexure V, Note 24	400.30	165.88	263.69	144.26	100.01
Total		7,533.31	4,434.09	4,323.48	849.07	643.56
Profit before Tax and exceptional items		1,417.99	289.78	210.38	44.99	19.64
Exceptional Items		-	-	-	-	0.40
Net Profit before Tax		1,417.99	289.78	210.38	44.99	19.24
Less: Provision for Taxes						
Current Tax		448.48	107.33	68.00	9.01	3.93
MAT Credit Entitlement		-	-	(12.24)	-	-
Deferred Tax		13.30	1.67	(1.95)	3.56	(0.26)
Net Profit After Tax & Before Extraordinary Items		956.21	180.78	156.57	32.42	15.57
Extra Ordinary Items		-	-	-	-	-
Net Profit after Tax		956.21	180.78	156.57	32.42	15.57
The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.						

Annexure III - Restated Statement of Cash Flow of Artemis Electricals Limited**(Rs. in lakhs)**

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before taxes	1,417.99	289.78	210.38	44.99	19.24
Adjustment for:					
Add: Depreciation	51.83	23.53	16.89	15.23	14.74
Add: Interest & Finance Charges	36.91	0.61	20.76	0.49	1.35
Less: Interest Income	(1.30)	-	-	-	-
Operating Profit before Working capital changes	1,505.43	313.92	248.03	60.71	35.33
Adjustments for:					
Decrease (Increase) in Trade & Other Receivables	(1,498.20)	(373.81)	(427.34)	(5.12)	(13.86)
Decrease (Increase) in Short Term Loans & Advances	(343.18)	(18.99)	-	-	-
Decrease (Increase) in Inventories of Finished Goods, Stock-in-Trade & Scrap	(1,494.12)	(137.33)	(207.14)	36.92	(4.05)
Decrease (Increase) in Other Current Assets (Excluding Advance Tax and TDS)	-	-	(13.08)	1.48	(7.93)
Increase (Decrease) in Trade Payables	1,205.31	696.61	15.72	11.56	27.51
Increase (Decrease) in Other Current Liabilities	954.24	(399.37)	485.18	1.45	12.80
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	10.32	0.77	(5.83)	0.05	(22.13)
Net Changes in Working Capital	(1,165.62)	(232.12)	(152.49)	46.34	(7.66)
Cash Generated from Operations	339.81	81.80	95.54	107.05	27.67
Less: Taxes	(9.68)	(4.89)	(15.39)	(2.93)	(2.01)
Net Cash Flow from Operating Activities (A)	330.13	76.91	80.15	104.12	25.66
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Fixed Assets	(1,550.07)	(37.69)	(17.64)	(20.76)	(16.43)
Interest Income	1.30	-	-	-	-
Decrease (Increase) in Investments	-	-	(141.00)	-	-
Decrease (Increase) in Long Term Loans & Advances	68.02	(48.85)	-	-	-
Net Cash Flow from Investing Activities (B)	(1,480.75)	(86.54)	(158.64)	(20.76)	(16.43)
CASH FLOW FROM FINANCING					

ACTIVITIES					
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	270.00	-	100.00
Interest & Finance Charges	(36.91)	(0.61)	(20.76)	(0.49)	(1.35)
Increase / (Repayment) of Long-Term Borrowings	1,185.33	7.29	(93.07)	(8.92)	(93.06)
Increase / (Repayment) of Short-Term Borrowings	-	-	(0.04)	(11.16)	1.57
Decrease (Increase) in Long Term Loans & Advances	-	-	(151.84)	1.72	(5.69)
Dividend and Dividend Distribution Tax	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	1,148.43	6.68	4.29	(18.85)	1.47
Net Increase / (Decrease) in Cash and Cash Equivalents	(2.19)	(2.95)	(74.20)	64.51	10.70
Cash and cash equivalents at the beginning of the year / Period	4.74	7.69	81.89	17.38	6.68
Cash and cash equivalents at the end of the year/ Period	2.55	4.74	7.69	81.89	17.38

Notes:

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 “*Cash Flow Statements*”.

The above statement should be read with the basis of preparation and significant accounting policies, appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V.

Annexure IV – Basis of Preparation and Significant Accounting Policies

Notes on Financial Statements for the year ended 31st March, 2018

Summary of significant Accounting Policies and Practices

A. Basis of Preparation

The Restated Statement of Assets and Liabilities of the Artemis Electricals Limited as at 31st March 2018, 2017, 2016, 2015 and 2014 and the Restated Statement of Profit and Loss and the Restated Statement of Cash flows, for the years ended 31st March 2018, 2017, 2016, 2015 and 2014 (together referred as Financial and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the respective years ("Audited Financial Statements").

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the Audited Standalone Financial Statements for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Restated Financial Information and Other Financial Information have been prepared by the management in connection with the proposed Initial Public Offering of equity shares of the Company, in accordance with the requirements of:

- (a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- (b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI Regulations").

These Restated Financial Information and Other Financial Information have been extracted by the Management from the Audited Financial Statements and:

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other prescribed criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services rendered and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

These Restated Financial Information and Other Financial Information were approved by the Board of Directors of the Company on May 28, 2018.

B. Use of Estimates

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

C. Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

D. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

E. Depreciation And Amortization**Tangible Assets**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

From the financial year 2014-15, w.e.f. 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II to Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to Companies Act, 1956.

F. Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. Borrowing Costs

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.

H. Employee Benefits**(i) Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to

be paid in exchange for the services rendered by employees are charged off to the Profit and Loss Account.

(ii) Defined Contribution Plans:

Contributions to defined contribution schemes such as provident fund are charged off to the Profit and Loss Account during the year in which the employee renders the related service.

(iii) Defined Benefit Plans:

The Company does not provide for gratuity as no employee has yet been entitled to gratuity under the Payment of Gratuity Act, 1972 and the management is of the view that no employee will become eligible for gratuity under the Payment of Gratuity Act, 1972 in the foreseeable future.

(iv) Other Long Term Benefits:

Leave encashment is payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company's policy.

I. Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

J. Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Cost of raw materials, stores and spares, packing materials and other products are determined on weighted average basis.

K. Revenue Recognition

Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized net of sales tax and value added tax.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognized when the right to receive payment is established.

L. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non-Current investments are stated at cost. Provision for diminution in the value of Non-Current investments is made only if such a decline is other than temporary.

M. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise.

N. Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. The weighted average number of equity shares and potential equity shares outstanding during the period and for all the period presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

O. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

P. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Annexure V - Notes to the Restated Financial Information

(Rs. in lakhs)

Note 1 - Share Capital	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Authorized Share Capital:					
70,00,000 Equity Shares of ₹ 10 each	700.00	700.00	700.00	250.00	250.00
Issued, Subscribed and Fully Paid up:					
44,37,015 Equity Shares of ₹ 10 each	443.70	443.70	443.70	238.91	238.91
Total	443.70	443.70	443.70	238.91	238.91

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4,437,015	4,437,015	2,389,100	2,389,100	1,389,100
Add: Shares issued during the year	-	-	300,000	-	1,000,000
Add: Bonus shares issued during the year	-	-	1,747,915	-	-
Equity Shares at the end of the year	4,437,015	4,437,015	4,437,015	2,389,100	2,389,100

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(Rs. in lakhs)

b) Details of shareholders holding more than 5% of share capital in the Company as at the balance sheet date :	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	% held	% held	% held	% held	% held
M/s. Yashvikram Infrastructure Private Limited	1,435,500	1,435,500	1,435,500	870,000	870,000
	32.35%	32.35%	32.35%	36.42%	36.42%
M/s. Garuda Aviation Services Private Limited	1,346,040	-	-	-	-
	30.34%	0.00%	0.00%	0.00%	0.00%
M/s. Ayesspea Holdings &	574,229	2,186,490	2,186,490	499,100	499,100

Investments Private Limited					
	12.94%	49.28%	49.28%	20.89%	20.89%
Mr. Pravin Kumar Agarwal	569,375	138,600	138,600	-	-
	12.83%	3.12%	3.12%	0.00%	0.00%
M/s. Seashell Venture Private Limited	-	-	-	1,000,000	1,000,000
	0.00%	0.00%	0.00%	41.86%	41.86%
Mr. Ram Niranjana Bhutra	221,851	-	-	-	-
	5.00%	0.00%	0.00%	0.00%	0.00%

(Rs. in lakhs)

Note 2 - Reserve and Surplus	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Securities Premium					
As per last Balance Sheet	109.21	109.21	44.00	44.00	44.00
Add: On Issue of Shares	-	-	240.00	-	-
Less: Utilised for issue of Bonus Shares	-	-	(174.79)	-	-
	109.21	109.21	109.21	44.00	44.00
Surplus in the Statement of Profit and Loss					
As per last Balance Sheet	300.44	119.66	(36.91)	(69.33)	(84.91)
Add: Profit for the year	956.21	180.78	156.57	32.42	15.57
Less: Proposed dividend	-	-	-	-	-
	1,256.65	300.43	119.66	(36.92)	(69.33)
Total	1,365.85	409.64	228.87	7.08	(25.33)

(Rs. in Lakhs)

Note 3 - Long Term Borrowings	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Secured					
Term Loan	647.50	-	-	-	-
HDFC Car Loan	-	7.29	-	-	-
	647.50	7.29	-	-	-
Unsecured					
From Related Parties (Refer note 28)	428.78	34.93	34.93	128.00	136.92
	428.78	34.93	34.93	128.00	136.92
Total	1,076.28	42.22	34.93	128.00	136.92

(Rs. in Lakhs)

Note 4 - Deferred Tax Liability (Net)	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Deferred Tax Liability					
Related to fixed assets	15.56	2.26	0.59	2.54	-

Deferred Tax Asset					
Related to fixed assets	-	-	-	-	1.02
Disallowances under the income Tax Act, 1961	-	-	-	-	-
Total	15.56	2.26	0.59	2.54	(1.02)

(Rs. in Lakhs)

Note 5 - Short Term Borrowings	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Secured					
Cash Credit Facility	151.28	-	-	-	-
Total	151.28	-	-	-	-

(Rs. in Lakhs)

Note 6 - Trade Payables	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
(Unsecured and considered good)					
Micro, Small and Medium Enterprises	-	-	-	-	-
Others	2,002.51	797.20	114.61	98.89	87.33
Total	2,002.51	797.20	114.61	98.89	87.33

The Company is in the process of identifying creditors covered under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 hence details relating thereto, if any, have not been disclosed.

(Rs. in Lakhs)

Note 7 - Other Current Liabilities	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Current maturities of long term loan	74.00	1.62	-	-	-
Advances from customers	30.45	0.23	456.43	0.23	0.73
Statutory dues	24.84	6.41	11.38	5.21	3.56
Creditors for capital goods	434.57	-	-	-	-
Other current liabilities	42.46	2.92	1.98	14.05	12.13
Book overdraft	460.25	101.16	29.63	-	11.14
Total	1,066.58	112.34	499.42	19.49	27.55

(Rs. in Lakhs)

Note 8 - Short Term Provisions	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Provisions for employee benefits	18.75	9.17	8.40	8.56	10.30
Provision for Audit Fees	2.48	1.73	-	0.45	0.31

Dividend Payable	-	-	-	-	-
Provision for income tax (Net of advances and MAT credit)	589.60	150.80	48.36	7.99	1.90
Total	610.83	161.71	56.75	17.00	12.52

(Rs. in Lakhs)

Note 10 - Non-Current Investments	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Long term investments					
(Valued at cost less other than temporary diminution in value, if any)					
Advance for Shares of Artemis Opto Electronic Technologies Private Limited (Refer Note 28)	141.00	141.00	141.00	-	-
Total	141.00	141.00	141.00	-	-

(Rs. in Lakhs)

Note 11 - Long Term Loans and Advances	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Unsecured and considered good (unless otherwise stated)					
Loans and advances to related parties (Refer Note 28)	-	27.00	13.70	3.97	5.69
Balance with indirect tax authorities	8.17	4.78	4.23	-	-
Security deposits with related parties (Refer Note 28)	130.00	177.00	142.00	-	-
Security deposits with others	3.60	1.00	1.00	0.89	0.89
Total	141.77	209.79	160.94	4.86	6.58

(Rs. in Lakhs)

Note 12 - Inventories	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Raw materials	1,345.55	362.21	117.16	61.08	73.96
Stock in progress	-	-	-	-	-
Finished goods	575.67	64.89	172.61	21.55	45.60
Total	1,921.22	427.10	289.77	82.63	119.55

(Rs. in Lakhs)

Note 13 - Trade Receivables	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Unsecured and considered good					

(unless otherwise stated)					
Outstanding for a period exceeding six months	172.97	80.03	26.05	16.78	48.84
Others	2,328.93	923.67	603.83	185.76	148.58
Total	2,501.90	1,003.70	629.89	202.54	197.42

(Rs. in Lakhs)

Note 14 - Cash & Cash Equivalents	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Cash on hand	1.70	1.63	7.29	7.96	5.99
Balances with banks:					
In current accounts	0.84	3.12	0.40	73.93	11.39
Total	2.55	4.74	7.70	81.89	17.38

(Rs. in Lakhs)

Note 15 - Other Current Assets	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Balance with indirect tax authorities	165.66	7.89	20.93	7.14	10.67
Advances to suppliers (Refer Note 28)	214.91	41.09	9.22	6.77	2.63
Advance for capital goods	6.36	-	-	-	-
Advance for expenses	5.17	-	-	-	-
Prepaid expenses	0.26	0.32	0.37	0.45	0.54
MAT Credit Entitlement	-	-	-	7.39	7.39
Others	0.41	0.30	0.09	0.01	2.00
Total	392.77	49.59	30.60	21.75	23.23

Annexure V - Notes to the Restated Financial Information

Note 9 - Fixed assets FY 2017-18

(Rs. in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2017	Additions	Deductions / Adjustments	As on 31-03-2018	Up to 01-04-2017	For the Year	Deductions / Adjustments	Total	As on 31-03-2018	As on 31-03-2017
Tangible Assets:										
Plant and Machinery	32.10	537.52	-	569.62	20.54	18.90	-	39.45	530.17	11.55
Factory Building	125.14	-	-	125.14	60.90	6.06	-	66.96	58.18	64.24
Die and Mould	69.70	29.91	-	99.62	28.57	10.13	-	38.69	60.92	41.14
Electrical Fittings	9.23	-	-	9.23	3.68	1.01	-	4.69	4.54	5.55
Furniture & Fixture	7.84	0.78	-	8.62	4.67	0.92	-	5.58	3.03	3.17
Computers and Printers	1.61	0.82	-	2.43	1.39	0.24	-	1.63	0.80	0.23
Motor Car	9.80	-	9.80	-	2.54	1.88	4.42	-	-	7.26
Office Building	-	986.42	-	986.42	-	12.68	-	12.68	973.74	-
Total	255.43	1,555.45	9.80	1,801.07	122.28	51.83	4.42	169.69	1,631.38	133.15

Note 9 - Fixed assets FY 2016-17

(Rs. in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2016	Additions	Deductions / Adjustments	As on 31-03-2017	Up to 01-04-2016	For the Year	Deductions / Adjustments	Total	As on 31-03-2017	As on 31-03-2016
Tangible Assets:										
Plant and Machinery	29.43	2.67	-	32.10	17.90	2.65	-	20.54	11.55	11.53
Factory Building	125.14	-	-	125.14	54.21	6.70	-	60.90	64.24	70.94
Die and Mould	44.90	24.80	-	69.70	19.63	8.94	-	28.57	41.14	25.27
Electrical Fittings	9.23	-	-	9.23	2.44	1.24	-	3.68	5.55	6.79
Furniture & Fixture	7.84	-	-	7.84	3.52	1.15	-	4.67	3.17	4.32
Computers	1.19	0.42	-	1.61	1.05	0.34	-	1.39	0.23	0.14

and Printers										
Motor Car	-	9.80	-	9.80	-	2.54	-	2.54	7.26	-
Total	217.74	37.69	-	255.43	98.74	23.54	-	122.28	118.99	118.24

Note 9 - Fixed assets FY 2015-16**(Rs. in lakhs)**

Particulars	Gross Block			Depreciation					Net Block	
	As on 01-04-2015	Additions	Deductions / Adjustments	As on 31-03-2016	Up to 01-04-2015	For the Year	Deductions / Adjustments	Total	As on 31-03-2016	As on 31-03-2015
Tangible Assets:										
Plant and Machinery	26.73	2.70	-	29.43	15.53	2.37	-	17.90	11.53	11.20
Factory Building	116.67	8.47	-	125.14	47.20	7.01	-	54.21	70.94	69.47
Die and Mould	44.25	0.65	-	44.90	14.32	5.31	-	19.63	25.27	29.93
Electrical Fittings	6.24	2.99	-	9.23	1.58	0.86	-	2.44	6.79	4.66
Furniture & Fixture	5.02	2.82	-	7.84	2.36	1.16	-	3.52	4.32	2.66
Computers and Printers	1.19	-	-	1.19	0.86	0.19	-	1.05	0.14	0.33
Total	200.10	17.64	-	217.74	81.86	16.89	-	98.74	118.99	118.24

Note 9 - Fixed assets FY 2014-15**(Rs. in lakhs)**

Particulars	Gross Block			Depreciation					Net Block	
	As on 01-04-2014	Additions	Deductions / Adjustments	As on 31-03-2015	Up to 01-04-2014	For the Year	Deductions / Adjustments	Total	As on 31-03-2015	As on 31-03-2014
Tangible Assets:										
Plant and Machinery	26.73	-	-	26.73	12.91	2.62	-	15.53	11.20	13.82
Factory Building	116.67	-	-	116.67	39.97	7.23	-	47.20	69.47	76.71
Die and Mould	28.35	15.90	-	44.25	10.94	3.38	-	14.32	29.93	17.40
Electrical Fittings	3.07	3.17	-	6.24	0.85	0.73	-	1.58	4.66	2.22
Furniture & Fixture	3.90	1.12	-	5.02	1.43	0.93	-	2.36	2.66	2.47

Computers and Printers	0.63	0.56	-	1.19	0.53	0.33	-	0.86	0.33	0.10
Total	179.34	20.76	-	200.10	66.63	15.23	-	81.86	118.24	112.71

Note 9 - Fixed assets FY 2013-14**(Rs. in lakhs)**

Particulars	Gross Block			Depreciation					Net Block	
	As on 01-04-2013	Additions	Deductions / Adjustments	As on 31-03-2014	Up to 31-03-2013	For the Year	Deductions / Adjustments	Total	As on 31-03-2014	As on 31-03-2013
Tangible Assets:										
Plant and Machinery	16.37	-	-	16.37	-	2.56	-	2.56	13.82	16.37
Factory Building	85.23	-	-	85.23	-	8.52	-	8.52	76.71	85.23
Die and Mould	5.08	15.18	-	20.26	-	2.86	-	2.86	17.40	5.08
Electrical Fittings	1.15	1.25	-	2.40	-	0.19	-	0.19	2.22	1.15
Furniture & Fixture	3.02	-	-	3.02	-	0.55	-	0.55	2.47	3.02
Computers and Printers	0.16	-	-	0.16	-	0.07	-	0.07	0.10	0.16
Total	111.01	16.43	-	127.45	-	14.74	-	14.74	112.71	111.01

Annexure V - Notes to the Restated Financial Information**(Rs. in lakhs)**

Note 16 - Revenue	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Sale of products					
Sale of lighting products and accessories	8,978.58	4,845.31	4,945.85	950.53	710.73
Less : Excise duty	30.95	121.44	414.64	59.58	49.29
Total	8,947.63	4,723.87	4,531.21	890.95	661.44

(Rs. in lakhs)

Note 17 - Other Income	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Other income	1.30	-	0.13	-	0.00
Net gain on foreign currency transactions and translation	2.38	-	2.54	3.11	1.77
Total	3.68	-	2.66	3.11	1.77

Note 18 - Cost of	For the year ended
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Materials Consumed	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Purchases	8,387.00	4,265.00	4,122.00	548.00	436.00
Add: Opening stock of raw materials	362.00	117.00	61.00	74.00	64.00
	8,749.00	4,382.00	4,183.00	622.00	500.00
Less: Closing stock of raw materials	1,346.00	362.00	117.00	61.00	74.00
Total	7,403.00	4,019.00	4,066.00	561.00	426.00

(Rs. in lakhs)

Note 19 - Cost of Stores and Consumables Consumed	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Opening Stock of stores and consumables	-	-	-	-	0.06
Add: Purchases of stores and Consumables	8.40	5.78	13.19	5.29	5.68
Less: Closing Stock of stores and Consumables	-	-	-	-	-
Total	8.40	5.78	13.19	5.29	5.74

(Rs. in lakhs)

Note 20 - Changes in Inventory of Finished Goods	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Inventories (at close)					
Finished Goods	575.67	64.89	172.61	21.55	45.60
Stock-in-Process	-	-	-	-	-
Inventories (at commencement)					
Finished Goods	64.89	172.61	21.55	45.60	29.28
Stock-in-Process	-	-	-	-	22.21
Total	(510.78)	107.72	(151.06)	24.05	5.89

(Rs. in lakhs)

Note 21 - Employee Benefit Expenses	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Salaries, wages and bonus (Refer Note 28)	122.74	100.53	80.76	90.67	83.04
Directors' Remuneration (Refer Note 28)	9.63	-	-	-	-
Contribution to provident and other funds	4.25	4.47	4.73	4.53	3.63
Staff welfare expenses	6.56	6.06	8.95	3.63	2.76
Total	143.17	111.06	94.45	98.83	89.43

(Rs. in lakhs)

Note 22 - Finance Costs	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Interest on others	26.04	0.38	20.34	-	-
Processing fee and charges	10.87	0.23	0.43	0.49	1.35
Total	36.91	0.61	20.76	0.49	1.35

(Rs. in lakhs)

Note 23 - Depreciation and Amortisation Expenses	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Depreciation on tangible fixed assets [Read with note 9]	51.83	23.54	16.89	15.23	14.74
Total	51.83	23.54	16.89	15.23	14.74

(Rs. in lakhs)

Note 24 - Other Expenses	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Manufacturing expenses					
Labour charges	238.10	77.90	117.99	62.24	47.79
Electric, power, fuel and water charges	38.66	15.18	14.92	11.05	12.87
Testing expenses	3.83	1.56	5.21	4.30	-
Repairs to machinery	6.31	3.97	3.34	-	-
	286.90	98.61	141.46	77.60	60.66
Selling and distribution expenses					
Freight and forwarding expenses	9.33	3.84	0.89	0.56	0.30
Factory expenses	0.49	0.57	1.12	0.48	0.14
	9.82	4.41	2.02	1.04	0.44
Establishment expenses					
Professional fees	4.36	27.70	73.63	35.95	3.51
General expenses	16.91	26.15	18.60	13.62	22.57
Net gain on foreign currency transaction and translation	-	0.66	-	-	-
Transportation charges	0.04	0.36	13.76	10.03	8.96
Rent, rates and taxes	75.28	1.95	6.02	0.07	1.67
Travelling and conveyance expenses	1.77	3.52	5.86	3.90	1.69
Corporate Social responsibility expenses	2.47	-	-	-	-
Payment to auditors*	2.75	2.52	2.35	2.05	0.50
	103.58	62.87	120.21	65.62	38.91
Total	400.30	165.88	263.69	144.26	100.01

*Payment to Auditors includes:-

(Rs. in lakhs)

Payment to auditors as:	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Statutory audit fees	1.50	1.00	1.00	0.75	0.50
Tax audit fees	0.65	0.65	0.65	0.50	-
MVAT matters	0.20	0.45	0.40	0.40	-
Certification and Consultation Fees	0.40	0.42	0.30	0.40	-
	2.75	2.52	2.35	2.05	0.50

(Rs. in lakhs)

Note 25 - Earning Per Share (EPS)	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Net profit after tax as per statement of profit and loss attributable equity share holders (°)	956.21	180.78	156.57	32.42	15.57
Weighted average number of equity shares used as denominator for calculating EPS	4,437,015	4,437,015	3,171,770	2,389,100	2,153,484
Basic and diluted earnings per share (°)	21.55	4.07	4.94	1.36	0.72
Face value per equity share (°)	10.00	10.00	10.00	10.00	10.00

(Rs. in lakhs)

Note 26 - Value of imports on CIF basis in respect of	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Raw materials	130.65	98.70	3,272.11	136.33	108.83
Total	130.65	98.70	3,272.11	136.33	108.83

(Rs. in lakhs)

Note 27 - Contingent liabilities and commitments	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Contingent liabilities (to the extent not provided for)	Nil	Nil	Nil	Nil	Nil

Note 28 - Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Shri Pravin K. Agarwal	Key Managerial Personnel
2	Shri Sudhir K. Agarwal	
3	Shri Chandrahas N. Shetty	
4	Shri Alok Kumar Agarwal	Relatives of Key Managerial Personnel
5	Smt. Jyotsna Agarwal	
6	P.K. Hospitality Services Private Limited	Enterprises over which Key Managerial Personnel are able to exercise influential control
7	P. K. Global Trends Private Limited	
8	Garuda Aviation Services Private Limited	
9	GLS Electrovision Private Limited	
10	Electroplast (India) Private Limited	
11	Electro Force (India) Private Limited	
12	AYESSPEA Holdings and Investments Private Limited	
13	Yashvikram Infrastructure Private Limited	
14	Golden Chariot Hospitality Services Private Limited	
15	Dforce Electro Werke Private Limited	
16	Gallic Electro Technologies Private Limited	
17	Garuda Construction and Engineering Private Limited	
18	Makindian Foods Private Limited	
19	Poonam Anjali Ventures Private Limited	
20	Golden Chariot Retreat and Infra Private Limited	
21	Artemis Opto Electronic Technologies Private Limited	

i) Transactions during the year with related parties:

Sr. No.	Nature of Transactions	For the year ended				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1.	Sale of Goods (Net of Returns)					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	13.88	10.83	95.89	27.27	79.50
	Total	13.88	10.83	95.89	27.27	79.50
2.	Purchase of Goods (Net of Returns)					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	36.22	18.86	33.31	51.40	36.78
	Total	36.22	18.86	33.31	51.40	36.78
3.	Net Loans and Advances taken / (repaid)					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	393.85	-	(128.00)	-	6.94
	Total	393.85	-	(128.00)	-	6.94
4.	Other Sundry Expenses					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	124.03	11.62	-	-	-
	Total	124.03	11.62	-	-	-
5.	Professional Fees (Including Taxes)					
	Key Managerial Personnel	-	29.91	56.77	36.48	-
	Relatives of KMP	-	-	-	-	-

	Enterprise over which KMP are able to exercise influential control	-	-	-	-	-
	Total	-	29.91	56.77	36.48	-
6.	Managerial Remuneration					
	Key Managerial Personnel	37.23	16.90	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	-	-			
	Total	37.23	16.90	-	-	-
7.	Net Loans and Advances given / (returned)					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	(27.00)	13.30	12.57	(11.96)	5.00
	Total	(27.00)	13.30	12.57	(11.96)	5.00
8.	Issue of Equity Shares (Including Premium)					
	Key Managerial Personnel	-	-	31.50	-	-
	Relatives of KMP	-	-	58.50	-	-
	Enterprise over which KMP are able to exercise influential control	-	-	180	-	-
	Total	-	-	270	-	-
9.	Issue of Bonus Shares					
	Key Managerial Personnel	-	-	12.71	-	-
	Relatives of KMP	-	-	17.75	-	-
	Enterprise over which KMP are able to exercise influential control	-	-	140.6	-	-
	Total	-	-	171.05	-	-
10.	Purchase of Fixed Assets					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	17.70

	Enterprise over which KMP are able to exercise influential control	-	-	-	-
	Total	-	-		17.70
11.	Advance to supplier (net of adjusted during the year)				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	31.96	(0.06)	-	-
	Total	31.96	(0.06)	-	-
12.	Security Deposit				
	Key Managerial Personnel	-	-	-	-
	Relatives of KMP	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	(47.00)	35.00	142.00	-
	Total	(47.00)	35.00	142.00	-

ii) **Closing Balance with related parties:**

Sr. No .	Nature of Transactions	As at				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
13.	Trade Receivables					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	51.33	62.97	95.99	2.29	59.30
	Total	51.33	62.97	95.99	2.29	59.30
14.	Advance to suppliers					
	Key Managerial Personnel	-	-	-	-	-
	Relatives of KMP	-	-	-	-	-
	Enterprise over which KMP are able to exercise influential control	32.16	0.21	0.21	0.21	-
	Total	32.16	0.21	0.21	0.21	-
15.	Trade and other payables					
	Key Managerial Personnel	-	-	2.46	2.81	-
	Relatives of KMP	-	3.38	3.38	3.38	-
	Enterprise over which KMP are able to exercise influential control	57.03	4.72	6.38	5.59	20.83
	Total	57.03	8.09	12.21	11.78	20.83

16. Long-term borrowings						
Key Managerial Personnel	-	-	-	-	-	-
Relatives of KMP	-	-	-	-	-	-
Enterprise over which KMP are able to exercise influential control	428.78	34.93	34.93	128.00	136.92	
Total	428.78	34.93	34.93	128.00	136.92	
17. Non-current investment						
Key Managerial Personnel	-	-	-	-	-	-
Relatives of KMP	-	-	-	-	-	-
Enterprise over which KMP are able to exercise influential control	141.00	141.00	141.00	-	-	
Total	141.00	141.00	141.00	-	-	
18. Long-term loans and advances						
Key Managerial Personnel	-	-	-	-	-	-
Relatives of KMP	-	-	-	-	-	-
Enterprise over which KMP are able to exercise influential control	-	27.00	13.70	1.14	5.00	
Total	-	27.00	13.70	1.14	5.00	
19. Security Deposit						
Key Managerial Personnel	-	-	-	-	-	-
Relatives of KMP	-	-	-	-	-	-
Enterprise over which KMP are able to exercise influential control	130.00	177.00	142.00	-	-	
Total	130.00	177.00	142.00	-	-	

Note 29 - Debit and Credit balances are subject to confirmation and reconciliation if any.

Note 30 - Previous year figures have been regrouped / reclassified, wherever necessary, to correspond with current year classification.

Annexure VI – Restated Statement of Reserves and Surplus of Artemis Electricals Limited
(Rs. in lakh)

Note 2 - Reserve and Surplus	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Securities Premium					
As per last Balance Sheet	109.21	109.21	44.00	44.00	44.00
Add: On Issue of Shares	-	-	240.00	-	-
Less: Utilised for issue of Bonus Shares	-	-	(174.79)	-	-
	109.21	109.21	109.21	44.00	44.00
Surplus in the Statement of Profit and Loss					

As per last Balance Sheet	300.44	119.66	(36.91)	(69.33)	(84.91)
Add: Profit for the year	956.21	180.78	156.57	32.42	15.57
Less: Proposed dividend	-	-	-	-	-
	1,256.65	300.43	119.66	(36.92)	(69.33)
Total	1,365.85	409.64	228.87	7.08	(25.33)

Annexure VII – Restated Statement of Secured Borrowings of Artemis Electricals Limited
(Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Long term borrowings					
Term Loan	647.50	-	-	-	-
HDFC Car Loan	-	7.29	-	-	-
	647.50	7.29	-	-	-
Short term borrowings					
Cash Credit Facility	151.28	-	-	-	-
	151.28	-	-	-	-
Total	798.78	7.29	-	-	-

Annexure VII (A) – Restated Statement of Principal Terms of Secured Borrowings outstanding as at 31st March, 2018 of Artemis Electricals Limited

Sl. No.	Lender	Nature of Facility (Term Loan-INR, Working Capital Facility-Cash credit)	Loan currency	Amount Outstanding as at 31 March 2018 (Rs. in lakh)	Rate of Interest %	Repayment Terms	Other Principal Terms and Conditions
1	The Federal Bank	Term Loan	INR	721.50	8.80%	The loans are repayable in 120 equal monthly instalments commencing from January, 2018.	Note - 1
2	The Federal Bank	Cash Credit	INR	151.28	9.25%	Payable on Demand	Note - 2
		Total		872.78			

Note – 1

On 19th December, 2017, the Company was sanctioned term loans of Rs. 7.40 Crores by the Federal Bank Limited. This loan is secured by equitable mortgage of office premises No. 201, bearing Plot No. C-3, C.T.A. No. 4207 on Second Floor in A Wing of Building Fortune 2000, G Block, situated at Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 admeasuring super built up area 3305 Sq. Ft. along with one basement parking and three open parking purchased in the name of M/s. Artemis Electricals Limited. The loans are repayable in 120 equal monthly instalments commencing from January, 2018 along with interest of 8.80% per annum.

Note – 2

This cash credit facility is secured by following collateral security:

1. Office premise No. 201, bearing Plot No. C-3, C.T.A. No. 4207 on Second Floor in A Wing of Building Fortune 2000, G Block, situated at Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 admeasuring super built up area 3305 Sq. Ft. along with one basement parking and three open parking in the name of M/s. Artemis Electricals Limited.

2. Row House No. D, Garuda House, Malad (E), Near Cheerpanjal Mehta Road, Upper Govind Nagar, Mumbai - 400 097 in the name of Mrs. Jyotsna Agarwal.

3. Hypothecation of stock and movable properties including book debts of the Company.

Annexure VIII – Restated Statement of Unsecured Borrowings of Artemis Electricals Limited (Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
From Related Parties (Refer Annexure V, Note 28)	428.78	34.93	34.93	128.00	136.92
Total	428.78	34.93	34.93	128.00	136.92

Annexure IX – Restated Statement of Current Liabilities & Provisions of Artemis Electricals Limited (Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Other Current Liabilities					
Current maturities of long-term loan	74.00	1.62	-	-	-
Advances from customers	30.45	0.23	456.43	0.23	0.73
Statutory dues	24.84	6.41	11.38	5.21	3.56
Creditors for capital goods	434.57	-	-	-	-
Other current liabilities	42.46	2.92	1.98	14.05	12.13
Book overdraft	460.25	101.16	29.63	-	11.14
	1,066.58	112.34	499.42	19.49	27.55
Short Term Provisions					
Provisions for employee benefits	18.75	9.17	8.40	8.56	10.30
Provision for Audit Fees	2.48	1.73	-	0.45	0.31
Provision for income tax (Net of	-	-	-	-	-

advances and MAT credit)					
	21.23	10.90	8.40	9.01	10.62
Total	1,087.81	123.24	507.82	28.50	38.17

Annexure X – Restated Statement of Investments of Artemis Electricals Limited

(Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
(Long term investments)					
(Valued at cost less other than temporary diminution in value, if any)					
Advance for Shares of Artemis Opto Electronic Technologies Private Limited (Refer Annexure V, Note 28)	141.00	141.00	141.00	-	-
Total	141.00	141.00	141.00	-	-

Annexure XI – Restated Statement of Unsecured Borrowings of Artemis Electricals Limited

(Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Unsecured and considered good (unless otherwise stated)					
Outstanding for a period exceeding six months	172.97	80.03	26.05	16.78	48.84
Others	2,328.93	923.67	603.83	185.76	-
Total	2,501.90	1,003.70	629.89	202.54	-

Annexure XII – Restated Statement of Long-Term Loans and Advances of Artemis Electricals Limited

(Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Long term loans and advances					
Unsecured and considered good (unless otherwise stated)					
Loans and advances to related parties (Refer Annex. V, Note 28)	-	27.00	13.70	3.97	5.69
Balance with indirect tax authorities	8.17	4.78	4.23	-	-
Security deposits with related parties (Refer Annex. V, Note 28)	130.00	177.00	142.00	-	-
Security deposits with others	3.60	1.00	1.00	0.89	0.89
Total	141.77	209.79	160.94	4.86	6.58

Annexure XIII – Restated Statement of Other Current Assets of Artemis Electricals Limited
(Rs. in lakh)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Balance with indirect tax authorities	165.66	7.89	20.93	7.14	10.67
Advances to suppliers (Refer Annexure V, Note 28)	214.91	41.09	9.22	6.77	2.63
Advance for capital goods	6.36	-	-	-	-
Advance for expenses	5.17	-	-	-	-
Prepaid expenses	0.26	0.32	0.37	0.45	0.54
Mat Credit entitlement	-	-	-	7.39	7.39
Others	0.41	0.30	0.09	0.01	2.00
Total	392.77	49.59	30.60	21.75	23.23

Annexure XIV – Restated Statement of Other Income of Artemis Electricals Limited
(Rs. in lakh)

Particulars	Nature (Recurring / Non - recurring)	For the year ended				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Other income	Recurring	1.30	-	0.13	-	0.00
Net gain on foreign currency transactions and translation	Recurring	2.38	-	2.54	3.11	1.77
Total		3.68	-	2.66	3.11	1.77
Notes:						
1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.						
2. All items of Other Income are from normal business activities.						

Annexure XV – Restated Statement of Accounting Ratios of Artemis Electricals Limited

Sr. No.	Particulars	For the year ended				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1	Restated Profit / (Loss) after Tax (Rs. in lakhs)	956.21	180.78	156.57	32.42	15.57
2	Net Profit / (Loss) available to Equity Shareholders (Rs. in Lakhs)	956.21	180.78	156.57	32.42	15.57
3	Weighted average number of Equity Shares outstanding during the year for Basic EPS	4,437,015	4,437,015	3,171,770	2,389,100	2,153,484
4	Weighted average number of Equity Shares outstanding during the year for Diluted EPS	4,437,015	4,437,015	3,171,770	2,389,100	2,153,484
5	Number of Equity Shares outstanding at the end of the year	4,437,015	4,437,015	4,437,015	2,389,100	2,389,100
6	Net Worth for Equity Shareholders	1,809.56	853.34	672.57	245.99	213.58

	(Rs. in lakhs)					
	Accounting Ratios:					
7	Basic Earnings / (Loss) per Share (Rs.) (2)/(3)	21.55	4.07	4.94	1.36	0.72
8	Diluted Earnings / (Loss) per Share (Rs.) (2)/(4) (Refer Annexure V, Note 25)	21.55	4.07	4.94	1.36	0.72
9	Return on Net Worth for Equity Shareholders (2)/(6)	52.84%	21.18%	23.28%	13.18%	7.29%
10	Net Asset Value Per Share (Rs.) (6)/(5)	40.78	19.23	15.16	10.30	8.94

Note:

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. Net worth for ratios mentioned in Sr. No. 6 is = Equity share capital + Reserves and surplus (including Securities Premium, Share Option Outstanding Account, Debenture Redemption Reserve and Surplus/ (Deficit)).

3. The above ratios have been computed on the basis of the Restated Financial Information- Annexure I & Annexure II.

Annexure XVI – Restated Statement of Capitalization of Artemis Electricals Limited**(Rs. in lakh)**

Particulars	Pre-Issue as at March 31, 2018
Debt:	
Long term borrowings	1,076.28
Short term borrowings	151.28
Current portion of Secured long term borrowings, included in Other Current Liabilities	74.00
Total debt (A)	1,301.56
Shareholders' Funds:	
Equity Share Capital	443.70
Reserves and Surplus	1,365.85
Total Shareholders' Funds (B)	1,809.56
Total Debt/Equity Ratio (A/B)	0.72
Total Long Term Debt / Equity Ratio	0.59
Notes:	
i) The above has been computed on the basis of the Restated Financial Information - Annexure I & Annexure II.	
ii) Short term borrowings represent working capital loans, Commercial paper and Short term loans.	
iii) The issue price and number of shares are being finalised and as such the post- capitalisation statement cannot be presented.	

Annexure VIII – Restated Statement of Unsecured Borrowings of Artemis Electricals Limited
(Rs. in lakh)

Particulars		As at				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
A	Profit/ (Loss) before taxation and adjustments	1,417.99	289.78	210.38	44.99	19.24
B	Tax at applicable Rates	33%	33%	32%	31%	31%
C	Tax thereon at the above rate	468.83	95.81	68.26	13.90	5.95
	Adjustments:					
D	Permanent Differences					
	Net Disallowances/ (Allowances) under the Income Tax Act	-	-	-	-	-
	Deduction u/s 80 G of the Income Tax Act Profit / Loss on Sale of Assets	-	-	-	-	-
	Others	-	-	-	-	-
	Total Permanent Differences	-	-	-	-	-
E	Timing Differences					
	Difference in depreciation as per Income Tax Act and Financial Statements	(61.56)	5.39	0.92	(2.30)	0.78
	Loss / unabsorbed depreciation set off	-	-	(17.68)	(42.70)	(20.02)
	Deduction u/s 43B of the Income tax act Others					
	Total Timing Differences	(61.56)	5.39	(16.76)	(45.00)	(19.24)
F	Net Adjustments (D+E)	(61.56)	5.39	(16.76)	(45.00)	(19.24)
G	Tax Expense/(savings) (FxB)	(20.35)	1.78	(5.44)	(13.91)	(5.95)
H	Tax Liability (C+G)	448.48	97.59	62.82	(0.00)	0.00
I	Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes					
	Tax Rate as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act	19.06%	19.06%	19.06%	19.06%	19.06%
	Tax Liability as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes	270.20	55.22	40.09	8.57	3.67
J	Net Tax Liability (Higher of H & I)	448.48	97.59	62.82	8.57	3.67
K	Total Current Tax	448.48	97.59	62.82	8.57	3.67
L	Impact of Material Adjustments for Restatement in corresponding years	-	-	-	-	-
M	Current Tax Liability on Material Adjustments for Restatement in corresponding years	-	-	-	-	-
N	Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	1,356.44	295.17	193.62	-	0.00
O	Total Tax Liability after Tax impact of adjustments	448.48	97.59	62.82	8.57	3.67

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the restated financial statements prepared in accordance with the Companies Act, Indian GAAP, the Accounting Standards and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2014, 2015, 2016, 2017 and 2018 in the chapter titled "Financial Statements" on page 251 of this Draft Red Herring Prospectus. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

BUSINESS OVERVIEW

Artemis Electricals Limited is an **ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007** certified Company engaged in the business of manufacturing and trading of Light Emitting Diode “LED” Lights and LED lighting accessories. We manufacture and trade in all sorts of outdoor and indoor LED based lighting solutions such as, Street lights, Solar Powered Home LED lighting Systems and LED based Street Lights. Down lights, Garden lights, pavement / walk through indication lights, etc.

Our products are used for illumination and special purposes in a variety of applications for general lighting, in particular architectural, residential, office, industrial, shop, hospitality, and out door. Our portfolio includes solutions across the LED luminary spectrum i.e. from the high technology LED emitter to LED driver & LED luminaries including Solar Powered Home LED lighting Systems and LED based Street Lights. Our LED drivers are manufactured in a modern facility, mainly using SMD components on an automatic pick-n-place machine.

Our Company is managed by our promoter and Chairman, Mr. Pravin Kumar Agarwal. He has a decade long experience of working with the Company. Mr. Pravin Kumar Agarwal has been instrumental in the growth of our business. Our corporate promoter is M/s. Yashvikram Infrastructure Private Limited. The Individual promoter of Our Company is also a promoter of M/s. Yashvikram Infrastructure Private Limited.

Artemis with its own manufacturing plant is a preferred partner for Original Equipment Manufacturer “OEM” business clientele for various well-known and established lighting brands in India such as Bajaj Lighting, Crompton Greaves, and Eveready to name a few. We have started developing a distribution network for making “Artemis” as a Brand by providing lighting solutions, available in leading stores all over the country.

SIGNIFICANT MATERIAL DEVELOPMENTS SUBSEQUENT TO THE LAST BALANCE SHEET DATE I.E. 31 MARCH, 2018

To the best of our knowledge and, except as disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

KEY FACTORS THAT MAY AFFECT OUR RESULTS OF OPERATIONS:

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations during the period under review, or which could affect our results of operations in the future.

- Evolving customer needs and market trends;
- Strengthen infrastructure for manufacturing;

- Company's ability to successfully implement our growth strategy;
- Changes in laws and regulations relating to the industry in which we operate;
- General economic and demographic conditions;
- Interest and exchange rate fluctuations;
- Tax benefits and incentives;
- Increasing competition in the industry;
- Changes in fiscal, economic or political conditions in India;

For more information on these and other factors/development which have or may affect us, please refer to chapters titled “*Risk Factors*”, “*Our Industry*” and “*Our Business*” beginning on page 20, 127 and 173 respectively of this Draft Red Herring Prospectus.

Discussion of results of Operations

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the financial years ended March 31, 2018, 2017, 2016, 2015 & 2016 respectively.

Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies beginning under section titled “**Financial Statements as Restated**” beginning on page no. [] of this Draft Red Herring Prospectus.

OVERVIEW OF REVENUE & EXPENDITURE:

Revenue and Expenditure

Income from operations:

Our principle component of income is from manufacturing & trading of LED & Solar LED lighting & lightning accessories.

Other Income:

Our other income mainly includes interest income, profit on sale of fixed assets etc.

(Amount in Rs. Lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Income					
Revenue from Operations	8,947.63	4,723.87	4,531.21	890.95	661.44
As a % of Total Revenue	99.96	100.00	99.94	99.65	99.73
Other Income	3.68	-	2.66	3.11	1.77
As a % of Total Revenue	0.04	0.00	0.06	0.35	0.27
Total Revenue	8,951.31	4,723.87	4,533.87	894.06	663.20

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of material consumed, cost of stores, consumable goods and indirect expenses such as employee benefit expenses, finance costs, depreciation and other expenses.

Direct Expenditure

Our direct expenditure includes cost of raw material used for LED & Solar LED Lighting manufacturing process such as direct expenses on manufacturing etc. purchase of stock in trade which includes the cost of MCPCB, Transformers, Resistors, Capacitors, Aluminium Alloy, Drivers, Streetlights and changes in inventories of finished goods.

Employee benefits expense

Our employee benefits expense primarily comprises of director's remuneration, salary and wages expenses, contribution to recognized provident funds, contribution to any other funds, staff welfare expenses and bonus charged amongst others.

Finance Costs

Our finance costs mainly include Interest on others & Processing Fees.

Depreciation

Depreciation includes depreciation on tangible assets like Factory Building, Plant & Machinery, Furniture & Fixture, Die & Mould, Motor Car, Office Building, Computers & Printers and Electrical fittings.

Other Expenses

Other expenses mainly include expenses such as labour charges, electric, power, water & fuel expenses, testing expenses, machinery repair expenses, selling & distribution expenses, general expenses, rent, rates & taxes, payment to auditors, travelling & conveyance expenses, professional fees, CSR expenses.

Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Amount in Rs. Lakhs)

Particulars	For the year ended		
	31-Mar-18	31-Mar-17	31-Mar-16
Income			
Revenue from Operations	8,947.63	4,723.87	4,531.21
As a % of Total Revenue	99.96	100.00	99.94
Other Income	3.68	-	2.66
As a % of Total Revenue	0.04	0.00	0.06
Total Revenue (A)	8,951.31	4,723.87	4,533.87
Variance/ Growth	89.49	4.19	407.11
Expenditure			
Cost of Material Consumed	7,403.49	4,019.49	4,065.56
As a % of Total Revenue	82.71	85.09	89.67
Cost of Stores and Consumables Consumed	8.4	5.78	13.19
As a % of Total Revenue	0.09	0.12	0.29
Changes in Inventories of Finished Goods	(510.78)	107.72	(151.06)
As a % of Total Revenue	(5.71)	2.28	(3.33)
Employee Benefit Expenses	143.17	111.06	94.45
As a % of Total Revenue	1.60	2.35	2.08
Finance Costs	36.91	0.61	20.76
As a % of Total Revenue	0.41	0.01	0.46
Depreciation Expense	51.83	23.54	16.89
As a % of Total Revenue	0.58	0.50	0.37

Other Expenses	400.30	165.88	263.69
As a % of Total Revenue	4.47	3.51	5.82
Total Expenditure (B)	7,533.31	4,434.09	4,323.48
As a % of Total Revenue	84.16	93.87	95.36
Profit / (Loss) before Tax and exceptional items (A-B)	1,417.99	289.78	210.38
As a % of Total Revenue	15.84	6.13	4.64
Exceptional Items	-	-	-
As a % of Total Revenue	0.00	0.00	0.00
Net Profit before Tax	1,417.99	289.78	210.38
As a % of Total Revenue	15.84	6.13	4.64
Less: Provision for Taxes			
Current Tax	448.48	107.33	68
MAT Credit Entitlement	-	-	(12.24)
Deferred Tax	13.3	1.67	(1.95)
Total Tax Expense	461.78	109.00	53.81
Net Profit After Tax & Before Extraordinary Items	956.21	180.78	156.57
As a % of Total Revenue	10.68	3.83	3.45
Extra Ordinary Items	-	-	-
Net Profit after Tax	956.21	180.78	156.57
PAT Margin	10.68	3.83	3.45

COMPARISION OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR ENDED MARCH 31, 2017

Revenue from Operations

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Revenue from Operations	8,947.63	4,723.87	89.41%

During FY 2017 – 18 the revenue from operations (net) of our company increased to Rs. 8947.63 Lacs as against Rs. 4723.87 Lacs in FY 2016 – 17, representing an increase of 89.41%. This increase is majorly due to increase in production, better product mix and trading.

Other Income

During FY 2017 – 18 the other income of our company increased to Rs. 3.68 Lacs as against Rs. Nil in FY 2016 – 17, representing an increase by 100%. In FY 2017 – 18, the increase was primarily on Net gain on foreign currency transactions and translation

Expenditure

Total Expenses

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Total Expenses	7,533.31	4,434.09	69.90%

The total expenditure for FY 2017 – 18 increased to Rs. 7533.31 Lacs from Rs. 4434.09 Lacs in FY 2016-17, representing an increase of 69.90%.

Cost of Material Consumed

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Cost of Material Consumed	7,403.49	4,019.49	84.19%

There was 84.19% increase in cost of material consumed from Rs. 4,019.49 Lacs in FY 2016 – 17 to Rs. 7,403.49 Lacs in FY 2017 – 18. This was mainly due to the purchase of raw material for manufacturing LED Light & Lightning accessories which is in line with increase in sales.

Employee benefits expenses

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Employee Benefits Expenses	143.17	111.06	28.91%

The employee benefit expense comprises of salaries, wages & bonus amongst other things. Our Company has incurred Rs. 143.17 lacs as employee benefit expenses during the FY 2017-18 as compared to Rs. 111.06 Lacs during FY 2016-17 reflecting an increase of 28.91% accounting for increase in number of employees and rise in wages levels.

Finance Cost

These costs were Rs. 36.91 for FY 2017-18 as against Rs. 0.61 Lacs during FY 2016-17. The increase of 5950.82% as compared to previous year is due to increase in Long Term & Short-Term Borrowing, Processing fee & other charges during the year.

Depreciation expense

Depreciation for FY 2017 – 18 stood at Rs. 51.83 Lacs and the same was Rs. 23.54 Lacs for FY 2016 – 17 showing an increase of 120.18%. Depreciation has increased due to the addition of fixed assets during the financial year 2017 – 18.

Other Expenses

Our Company has incurred Rs. 400.30 lacs during FY 2017 – 18 as other expenses as compared to Rs. 165.88 lacs during FY 2016 – 17. The increase of 141.32% is majorly due to increase in Selling & distribution expenses, Establishment expenses and other manufacturing expenses etc. in line with increase in production and sales of the company.

Profit/ (Loss) Before Tax

(Amount in Rs. Lakhs)

Particulars	2017–18	2016–17	Variance in %
Profit/ (Loss) Before tax	1,417.99	289.78	162.97%

For FY 2017-18 the profit stood at Rs.1417.99 lacs as against the profit of Rs. 289.78 Lacs for FY 2016-17. The increase of 389.33% is due to higher production and turnover. Higher production led to higher sales and manufacturing costs but there was no increase in the existing fixed costs which increased our operating margin substantially.

Provision for Tax and Net Profit*(Amount in Rs. Lakhs)*

Particulars	2017 – 18	2016 – 17	Variance in %
Taxation Expenses	461.78	109.00	323.65%
Profit after Tax	956.21	180.78	428.94%

Our profit after tax increased from Rs. 180.78 Lacs in FY 2016 – 17 to Rs. 956.21 Lakhs in FY 2017 – 18 showing an increase of 428.94%.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016
Revenue from Operations*(Amount in Rs. Lakhs)*

Particulars	2016-17	2015-16	Variance in %
Revenue from Operations	4,723.87	4,531.21	4.25%

During FY 2016-17 the revenue from operations (net) of our company increased to Rs. 4723.87 Lacs as against Rs. 4531.21Lacs in FY 2015 – 16, representing a marginal increase of 4.25%.

Other Income

During FY 2016-17 the other income of our company declined to Rs. Nil as against Rs.2.66 Lacs for FY 2015-16, representing a decrease of 100%.

Expenditure**Total Expenses**

The total expenditure for the financial year 2016-17 increased to Rs. 4,434.09 Lacs from Rs. 4,323.48 Lacs in FY 2015-16, representing an increase of 2.56%. As we have said earlier that we have done a major piece of job work in the financial year 2016 – 17 we have not incurred the raw material costs as the entire material was supplied by the party for which the job work was done.

Cost of Material Consumed*(Amount in Rs. Lakhs)*

Particulars	2016 – 17	2015 – 16	Variance in %
Cost of Material Consumed	4,019.49	4,065.56	(1.13%)

There was a decline in cost of material consumed from Rs. 4,065.56 in FY 2015-16 to Rs. 4,019.49 in FY 2016-17. This was mainly owing to the fact that we have done job work in the financial year 2016 – 17 and the material cost was borne by the party for which we have done the job work.

Employee benefits expenses*(Amount in Rs. Lakhs)*

Particulars	2016 – 17	2015 – 16	Variance in %
Employee Benefits Expenses	111.06	94.45	17.59%

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs. 111.06 lacs as employee benefit expenses during FY 2016-17 as compared to Rs.94.45 lacs during FY 2015-16 showing an increase of 17.59% due to increase in the wage rate levels.

Finance Cost

These costs for the year 2016-17 decreased by 97.06% to Rs. 0.61 Lacs as against Rs. 20.76 Lacs during FY 2015-16. This was mainly because there was no major increase in Long term Borrowings & absence of Short-term borrowings.

Depreciation Expense

Depreciation & amortization for FY 2016-17 stood at Rs. 23.54 Lacs and the same was Rs.16.89 Lacs for FY 2015-16 showing an increase of 39.37%. The increase was due to the addition of fixed assets during the financial year 2016 – 17.

Other Expenses

Our Company has incurred Rs. 165.88 lacs during the FY 2016-17 on other expenses as compared to Rs. 263.69 lacs during FY 2015-16 indicating an decrease of 37.09% mainly on account of Establishment and manufacturing expenses.

Profit/ (Loss) Before Tax

(Amount in Rs. Lakhs)

Particulars	2016-17	2015-16	Variance in %
Profit/(Loss) Before tax	289.78	210.38	37.74%

For FY 2016-17 the profit before tax stood at Rs.289.78 lacs as against the profit of Rs. 210.38 Lacs for FY 2015-16. The increase of 37.74% is due to increase in efficiency.

Provision for Tax and Net Profit

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Taxation Expenses	109.00	53.81	102.56%
Profit after Tax	180.78	156.57	15.46%

Our profit after tax increased from Rs. 156.57 Lakhs in FY 2015-16 to Rs. 180.78 Lakhs in FY 2016-17 showing an increase of 15.46% due to increasing efficiencies in business.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as disclosed in the section titled- Risk Factors beginning on page 20 of this Draft Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is engaged in the business segment i.e. LED Industry. Relevant industry data, as available, has been included in the chapter titled- Our Industry beginning on page 127 of this Draft Red Herring Prospectus.

7. Status of any publicly announced new products/ projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Red Herring Prospectus.

8. The extent to which the business is seasonal

Our Company's business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The % of Contribution of our company's customers and suppliers vis a vis the total revenue from operations and purchase cost of goods respectively as at March 31st, 2018 is as follows:-

PARTICULARS	CUSTOMERS	SUPPLIERS
Top 5 (%)	[●]	[●]
Top 10 (%)	[●]	[●]

10. Competitive Conditions

We face significant competition from domestic and international players. In addition, we compete against a number of multi-national manufacturers and marketers, some of which are larger and have substantially greater resources than us. We also face competition internationally from LED Lights imported from China that are sold mainly through unorganized market channels. However, we have been able to leverage economies of scale to gain an advantage.

We believe that, in selecting a OEM, our potential customers often take into account the following factors:

- Accuracy, timeliness and consistency;
- Capability, quality and convenience offered;
- Pricing of the products;
- Technology used in the manufacturing.

We believe that we compete favourably with our principal competitors in each of these areas. We also believe that our offering of full value chain solutions in the LED Lighting industry provides us with a competitive advantage that enables us to compete on more than price alone.

We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 173 of this Draft Red Herring Prospectus.

CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

There is no change in accounting policy in the last 3 years except for provision of gratuity on actuarial basis. For further details, please refer to chapter titled- Financial Statement as Restated beginning on page 251 of this Draft Red Herring Prospectus.

FINANCIAL INDEBTNESS

Our Company utilizes various credit facilities from banks and financial institutions from time to time for conducting its business operations.

As on March 31, 2018 our company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs. 872.78 Lakhs.

Set forth below is the brief summary of our aggregate secured borrowings from banks and financial institutions on a standalone basis as on March 31, 2018:

Type of borrowing	Sanctioned Amount (In. Rs. Lakhs)	Outstanding Amount (In. Rs. Lakhs)
Term Loan – Federal Bank	740.00	721.50
Cash Credit Limit (Including Letter of Credit (Import) facility of upto Rs. 210.00 Lakhs) – Federal Bank	310.00	151.28
TOTAL SECURED LOANS	1,050.00	872.78

SECURED BORROWINGS

Secured Credit Facility of Rs. 1,050.00 Lakhs from Federal Bank as per the Sanction Letter dated December 19th, 2017.

Nature of Facility	Sanctioned Amount (Rs. in Lakhs)	Rate of Interest	Repayment Schedule	Security Details
Term Loan (Non EMI Based)	740.00	6 month MCLR + 0.00% Current Effective Interest rate is 8.80% p.a.	Repayable of principal in 120 monthly Instalments of Rs. 6,16,666/- each Interest shall be paid on monthly basis. Start Date: December 2017 End Date: December 2027	<u>Primary Security:-</u> Equitable Mortgage of office Premise No 201, bearing Plot No. C-3, C.T.S. No. 4207, on second Floor in A wing Building Fortune 2000, G Block Situated at Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 admeasuring Super Built up Area 3305 Sq Ft along with One Basement Parking and Three Open Parking to be purchased in Name of M/s Artemis Electricals Limited

Cash Credit Facility	100.00	1 year MCLR + 0.35% Current Effective Interest rate is 9.25% p.a.	Repayable on Demand Start Date: December 2017 End Date: On Demand	Primary Security:- Equitable Mortgage of office Premise No 201, bearing Plot No. C-3, C.T.S. No. 4207, on second Floor in A wing Building Fortune 2000, G Block Situated at Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 admeasuring Super Built up Area 3305 Sq Ft along with One Basement Parking and Three Open Parking to be purchased in Name of M/s Artemis Electricals Limited. Hypothecation of stock of company with 25% margin and receivables with 50% margin (For CC Limit). Hypothecation of goods purchase under LC and cash margin at 20% on LC to be issued. (LC Limit)
Letter of Credit Facility	210.00	Card Rate	Start Date: December 2017 End Date: On Demand	Collateral Security:- Additional Charge on Row House No. D, Garuda House Malad (E) bearing CTC No. 97 – A/36 & CTS No. 97 – A/36/1, Survey No. 47, Near Cheerpanjal Mehta Road, Upper Govind Nagar, Mumbai – 400097 admeasuring Built Up area 2095 Sq Ft in the name of Mrs. Jyotsna Agarwal already charged to outstanding Bank Guarantees of Rs. 354.36 Lakhs issued on various dates in name of companies M/s Electroforce India Private Limited, M/s. P.K. Hospitality Private Limited, M/s. Yash Marketing & Trading Co. and M/s. Deepa Travels Private Limited.
Total	1050.00			
Co – Obligants / Guarantors for the Term Loan, CC Limit and LC Limit:- Mr. Praveen Kumar Agarwal Mrs. Jyotsna Agarwal				

KEY RESTRICTIVE COVENANTS

1. Primary/Collateral Securities shall be insured as per bank clauses preferably with our alliance partner.
2. All FEMA / Foreign Trade Regulations and FEDAI rules shall be complied with.
3. It is to be ensured that funds are not disbursed for speculative/unscrupulous purposes.
4. End use of Funds Certificate shall be submitted.
5. Review of the account shall be conducted after every 12 Months.
6. LC issued shall be in favour of suppliers of raw materials to be purchased / imported. Maximum usage of IMLC is Limited to 180 days. In the event of LC Devolvement, no further LC shall be

opened without it is ensured that Bill of Entry is submitted by the applicant in prompt manner and that no bill of entry is pending beyond 1 month from the due date stipulated by RBI. It is to be ensured that all terms and conditions with regard to Trade credit shall be complied before issuing Letter of Undertaking to Overseas Bank.

7. LC shall be issued for the permitted/lawful activities or business activity.
8. Drawing of CC limit shall be regulated strictly based on the basis of Monthly submission of Stock & Book Debts Statement. For arriving at DP, only 90 days receivables shall be considered.
9. Entire cash flow from the business should be routed through the borrower's operative account with us.
10. Bank's charges over the assets of the Company shall be registered with ROC, CERSAI & SRO within 30 days of disbursement.
11. End use of Funds certificate for Limits utilized from the Statutory Auditor and CA Certified receivables statement shall be submitted on quarterly basis.
12. Stock Statements for work in progress / stock in progress / finished goods & receivables statement shall be submitted monthly. Drawing Power will be regulated according to that & the orders received. Unit Visit for the company will be made monthly or as and when the bank intends to do same.
13. All FFR Statements are to be submitted as per the Norms.

This is an indicative list and there may be additional covenants under the borrowing arrangements entered into by the company.

UNSECURED BORROWINGS

Set forth below is the brief summary of our company's unsecured borrowings as at March 31, 2018: -

Lender	Outstanding amount (In. Rs. Lakhs)
From Directors and other Related Parties	428.78

Note: Loans from Directors and Others are unsecured and terms of repayment in respect of these loans are not fixed.

For further details please refer to "Note 3 – Long Term Borrowings" of Annexure V of chapter titled – "Financial Statements as Restated" beginning on Page 251 of this Draft Red Herring Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

The details of outstanding litigation or proceedings relating to our Company, our Directors, our Promoters and Our Group Companies are described in this section in the manner as detailed below.

*Except as disclosed below, there are no (i) criminal proceedings involving our Company, our Directors, our Promoters and Our Group Companies (ii) actions taken by regulatory or statutory authorities involving our Company, our Directors, our Promoters and Our Group Companies, (iii) outstanding litigation, suits, or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors and our Promoters that would have a material adverse effect on our business or the position of our Company, (iv) other material litigations involving our Company, our Group Company and Directors and (v) any other litigations involving our Company, Directors or other person whose outcome may have a material adverse effect on our Company. Our Board, in its meeting held on, May 28, 2018, adopted a policy on identification of material litigations and material creditors ("**Materiality Policy**").*

As per the Materiality Policy, for the purposes of (iv) above, in relation to material litigations, all the outstanding litigations involving our Company shall be considered material if: (i) the aggregate amount involved in such litigation individually exceeds 5% of the profit after tax of the Company, as per the last audited consolidated restated financial statements (5% of the profit after tax for Fiscal 2018 i.e. Rs. 4.7 million), or (ii) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 5% of profit after tax of the Company, as per the last audited consolidated restated financial statements, if similar litigations put together collectively exceed 5% of the profit after tax of the Company as per the last audited consolidated restated financial statements, or (iii) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

Further, except as stated in this section, there are no: (i) pending proceedings initiated against our Company for economic offences; (ii) default and non - payment of statutory dues by our Company; (iii) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years against our Company from the date of this Draft Red Herring Prospectus; (iv) material frauds committed against our Company in the last five years; (v) overdues to banks or financial institutions by our Company; (vi) defaults against banks or financial institutions by our Company; (vii) fines imposed or compounding offences by or against our Company under the Companies Act in the last five years immediately preceding this Draft Red Herring Prospectus; (viii) surveys, inquiries, inspections or investigations initiated or conducted under the IT Act (ix) proceedings initiated against our Company for economic offences; (x) matters involving our Company pertaining to violation of securities law, and (xi) outstanding dues to material creditors and material small scale undertakings.

It is clarified that for the purposes of the above, pre – litigations notices received by our Company, our Group Company and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

Further, dues owed by our Company to small scale undertakings and other creditors, which exceeds 5% per annum of the Company's total trade payables as per last audited consolidated restated

financial statements, i.e., as at March 31, 2018 i.e. Rs. 8 million ("**Material Creditors**") have been considered as material dues for the purposes of disclosure in this Draft Red Herring Prospectus.

CONTINGENT LIABILITIES

As of March 31, 2018, we do not have any contingent liabilities as disclosed in our Restated Financial Statements.

A. LITIGATION INVOLVING OUR COMPANY

I) Litigation against our Company:

a) *Litigation Involving Criminal Laws:*

NIL

b) *Litigation Involving Civil Laws:*

1. Sou. Mathura Bhalchandra Vartak and Others. vs Laxman Bhaskar Vartak and Others.- Civil Suit No. 131 of 2008

Sou. Mathura Bhalchandra Vartak and Others ("**Plaintiff**") has filed a civil suit against Laxman Bhaskar Vartak and Others in the Court of the Hon'ble Civil Judge (Senior Division) at Vasai for the partition and separate possession of the suit properties wherein our Company "Artemis Electricals Limited is Defendant No. 125 is the is a necessary party to the suit for partition and one of our Group Company, P.K Hospitality Limited is Defendant No. 124. The present petition is for partition of the inherited land and to declare the sale transaction of the said land null and non-binding

Herein, the Plaintiff has prayed for the partition of the suit lands and for the allotment of 1/6th share of Mathura Bhalchandra Vartak's father by way of notional partition and to deliver their possession to the Plaintiffs by drawing a preliminary decree. The Plaintiffs has also prayed for the declaration of non-entitlement of Defendant No. 9 to 164 to obstruct the process of execution of decree of partition to the extent of share of Plaintiff and Defendant No. 7 and 7(a) to 7(c). The matter is currently pending.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities:*

NIL

d) *Other Material Pending Litigations:*

NIL

II) Litigation by our Company:

a) *Litigation Involving Criminal Laws:*

NIL

b) *Litigation Involving Civil Laws:*

NIL

c) ***Litigation Involving Actions by Statutory/Regulatory Authorities:***

NIL

d) ***Other Material Pending Litigations:***

NIL

B. LITIGATION INVOLVING OUR DIRECTORS

I) Litigation against our Directors:

a) ***Litigation Involving Criminal Laws:***

1. **FIR filed against Pravin Kumar Agarwal - FIR No. 54/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an employee of Municipal Corporation of Greater Mumbai ("**BMC**"), has filed a FIR under section 53(7) of Monopolistic and Restrictive Trade Practice Act, 1966 against Pravin Agarwal, the Secretary of the Hub Mall premises at Goregaon East, Mumbai, at Vanrai Police Station on March 04, 2017. The disputes in this matter is pertaining to the use of two Air Handling Units ("**AHU**"), in the premises of Hub Mall located at Goregaon East, Mumbai, which according to the approved plans of BMC is required to be kept vacant/open and shall not be occupied or utilised for any office purpose. However, the AHU is converted into shop and the same is being used for security rest room and for office purpose.

2. **FIR filed against Pravin Kumar Agarwal- FIR No. SPL LAC No. 06/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an officer of Municipal Corporation of Greater Mumbai has filed a FIR against Pravin Agarwal, owner of Golden Chariot Bar and Restaurant located at 2nd Floor of Hub Mall ("**GCBR**"), on January 04, 2017 under section 52 and 43 of the Monopolistic and Restrictive Trade Practice Act, 1966 with respect to the fire incident in the kitchen area of GCBR on December 28, 2016. The Complainant, during his inspection of the GCBR, had observed violations of various fire safety rules, like installation of plywood at fire exit, emergency fire exit door being locked from inside, etc.

3. **FIR filed against Mr. Pravin Agarwal, Alok Agarwal and Sudhir Agarwal, his two brothers and his company, P.K. Hospitality Services Private Limited**

Mohammed Waseem Sayed, an employee of Novex Communication Private Limited. ("**Complainant**") has lodged a complaint on March 23, 2018 against Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, M/s. P.K. Hospitality Services Private Limited ("**Accused**"), under section 63 and 69 of Copy Right Act, 1957 read with section 420 and section 34 of Indian Penal Code. The Complainant has made a complaint that the Accused have played following songs "Zinghat" from the movie "Sairat" and "Kala Chashma" song from movie "Baar Baar Dekho" at Golden Tulip, Vasai on December 31, 2016 without obtaining the necessary rights from Novex Communication Private Limited, which is owned by Zee Company.

b) *Litigation Involving Civil Laws:*

NIL

c) *Litigation Involving Actions by Statutory/Regulatory Authorities:*

NIL

d) *Other Material Pending Litigations:*

NIL

II) Litigation by our Directors:**a) *Litigation Involving Criminal Laws:*****1. FIR filed by Praveen Kumar Agarwal - FIR No. 48/16**

Praveen Kumar Agarwal ("**Complainant**"), one of our Promoters, has lodged a FIR against Deshbandhu Gupta, Khushiram Gupta, Nilesh Gupta and Lodha (collectively known as "**Accused**") at Vanrai Police Station on July 26 against the contravention of the provisions of the Maharashtra Ownership Flat Act, 1963. The Complainant has alleged for the changed/ alteration of the layout plans of the suit premises i.e. Hub Mall from the Municipal Corporation without the consent of the Complainant. The Complainant has also alleged for not forming the society in respect of the suit premise and not transferring the conveyance of the suit premises in the favour of the society.

b) *Litigation Involving Civil Laws:*

NIL

c) *Litigation Involving Actions by Statutory/Regulatory Authorities:*

NIL

d) *Other Material Pending Litigations:*

NIL

C. LITIGATION INVOLVING OUR PROMOTERS:**I) Litigation against our Promoters:****a) *Litigation Involving Criminal Laws:*****1. FIR filed against Pravin Kumar Agarwal - FIR No. 54/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an employee of Municipal Corporation of Greater Mumbai ("**BMC**"), has filed a FIR under section 53(7) of Monopolistic and Restrictive Trade Practice Act, 1966 against Pravin Agarwal, the Secretary of the Hub Mall premises at Goregaon East, Mumbai, at Vanrai Police Station on March 04, 2017. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

2. **FIR filed against Pravin Kumar Agarwal- FIR No. SPL LAC No. 06/17**

Suraj Vithalrao Chauhan ("**Complainant**"), an officer of Municipal Corporation of Greater Mumbai has filed a FIR against Pravin Agarwal, owner of Golden Chariot Bar and Restaurant located at 2nd Floor of Hub Mall ("**GCBR**"), on January 04, 2017 under section 52 and 43 of the Monopolistic and Restrictive Trade Practice Act, 1966 with respect to the fire incident in the kitchen area of GCBR on December 28, 2016. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

3. **FIR filed against Mr. Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, P.K. Hospitality Services Private Limited.**

Mohammed Waseem Sayed, an employee of Novex Communication Private Limited ("**Complainant**") has lodged a complaint on March 23, 2018 against Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, M/s. P.K. Hospitality Services Private Limited ("**Accused**"), under section 63 and 69 of Copy Right Act, 1957 read with section 420 and section 34 of Indian Penal Code. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

b) ***Litigation Involving Civil Laws:***

NIL

c) ***Litigation Involving Actions by Statutory/Regulatory Authorities:***

NIL

d) ***Other Material Pending Litigations:***

NIL

II) **Litigation by our Promoters:**

a) ***Litigation Involving Criminal Laws:***

1. **FIR filed by Praveen Kumar Agarwal - FIR No. 48/16**

Praveen Kumar Agarwal ("**Complainant**"), one of our Promoters, has lodged a FIR against Deshbandhu Gupta, Khushiram Gupta, Nilesh Gupta and Lodha (collectively known as "**Accused**") at Vanrai Police Station on July 26 against the contravention of the provisions of the Maharashtra Ownership Flat Act, 1963. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

b) ***Litigation Involving Civil Law***

1. **Pravin Kumar Agarwal & Others vs M/s. Pranik Landmark Associates & Others- S.C. Suit No. 40 of 2011**

Pravin Kumar Agarwal & Others ("**Plaintiffs**") have filed a suit against M/s. Pranik Landmark Associates & Others ("**Defendants**") in the Bombay City Civil Court at Dindoshi Court. Herein, the Plaintiffs are the purchaser within the meaning of Maharashtra Ownership Flat Act, 1963 ("**MOFA**") in respect of the units situated in the shopping mall known as the "**Hub Mall**". Further, as per the

sanctioned plans disclosed to the Plaintiffs at the time of the purchase of the above-mentioned units, it was represented that there would be 110 parking slots available for the purchasers/ visitors of the units. However, the same was denied by Defendants, after the Plaintiffs had purchased their respective premises on the said representation. Therefore, in this suit, the Plaintiff has prayed for the decree thereby directing the Defendants to discharge its obligation under section 10 of MOFA and to form a co-operative society in respect of the suit building, the Hub Mall. In addition to this, the Plaintiff has also prayed to hand over the day to day affairs of the Hub Mall including the parking space, land along with the building thereon in favour of the Society formed under MOFA. The amount is unascertainable at this stage and the matter is under mediation.

c) ***Litigation Involving Actions by Statutory/Regulatory Authorities:***

NIL

d) ***Other Material Pending Litigations:***

NIL

D. LITIGATION INVOLVING OUR GROUP COMPANY:

III) Litigation against our Group Company:

a) ***Litigation Involving Criminal Laws:***

1. **Mohammed Waseem Sayed vs Mr. Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, P.K. Hospitality Services Private Limited**

Mohammed Waseem Sayed, an employee of Novex Communication Private Limited ("**Complainant**") has lodged a complaint on March 23, 2018 against Pravin Agarwal, his two brothers Alok Agarwal and Sudhir Agarwal and his company, M/s. P.K. Hospitality Services Private Limited ("**Accused**"), under section 63 and 69 of Copy Right Act, 1957 read with section 420 and section 34 of Indian Penal Code. For further details in relation to the said matter, please refer to the section "Litigations involving our Directors" in this chapter.

b) ***Litigation Involving Civil Laws:***

2. **Sanjay Hansraj Sethi vs Shankar J. Mishra, & Others- Writ Petition (PIL) No. 51 of 2011**

Hansraj Sethi ("**Petitioner**") has filed a Writ Petition (PIL) against Shankar J. Mishra and Others ("**Respondents**") in the High Court of Judicature of Bombay ("**Court**") against the alleged encroachment on the property bearing survey number 152 situated at Village Manikpur, Vasai East. The Court *vide* its order dated November 14, 2011 allowed the application for impleading one of our Group Company, Golden Chariot Hospitality Service Private Limited as a party respondent in this present Public Interest Litigation.

Herein, the Petitioner accused the Respondents for defrauding to the State of Maharashtra by converting the total plot area in respect of Survey No.114, Hissa No. A & B from 709.76 sq. meters to 4,709.76 sq. meters by the way of collusions with each other. The Plaintiff contended that, the increased area of the land i.e. 4000 sq. meters is meant for salt irrigation and was illegally made part of the acquired land. Further, the Plaintiff states that the bungalows have been constructed on the said property, and as result the sum of more than Rs. 50,00,00,000 have been defrauded. Therefore, the

Petitioner in this suit has prayed to issue a writ for directing the appointment of some retired judge of the Court or any other court as an inquiry officer and or directing some senior IPS Officer of the State of Maharashtra to conduct an inquiry in regard to the actual plot of the area in respect of Survey No. 114, Hissa No. A & B. The Petitioner has also prayed to demolish any construction on the land which belongs to the Government of India. The matter is currently pending.

3. **Maharashtra State Road Development Corporation vs Garuda Aviation Services Private Limited- Suit No. 5694 of 2006**

Maharashtra State Road Development Corporation ("**MSRDC**") has filed a suit against Garuda Aviation Services Private Limited ("**GAPL**") in Bombay City Civil Court for recovery of Rs. 17,06,108 along with interest at the rate of 24 % per annum from the date of this suit. The suit is pertaining over the dispute of non-payment of installments as per the term of contract between the parties for collection of toll at toll station at Shrirampur, Maharashtra.

However, MSRDC *vide* a letter dated July 26, 2018 to GAPL had introduced a onetime settlement scheme, whereby the contractors whose contracts have expired but are in arrears are given an opportunity to clear their outstanding dues of MSRDC with reduced rate of interest. Currently, MSRDC and GAPL are working on preliminary discussion for settlement of matter.

4. **Jet Airways (India) Limited vs Garuda Aviation Private Limited- Suit No. 3190 of 2010**

Jet Airways (India) Limited ("**Plaintiff**") has filed a suit against Garuda Aviation Private Limited ("**Defendant**") in the High Court of Judicature of Bombay for the payment of Rs. 10,93,360 with further interest on the principal amount of Rs. 7,50,000 at the rate of 18% from the date of filing of this suit till the final payment and/or realisation. The Plaintiff, in this suit, has alleged the Defendant for the collection of unauthorized parking fee from them. Currently, the matter is pending for recording evidence of the Plaintiff.

5. **Airport Authority of India vs Garuda Aviation Services Private Limited - Cont. P. No. 382 of 2018**

Airport Authority of India had filed a contempt petition against Garuda Aviation Services Private Limited ("**Respondent**") in the High Court of Judicature of Madras ("**Court**") for the disobedience to the orders of the Court dated September 12, 2017. The Court *vide* the said order directed the Respondent to remit the arrears of license fee and to furnish a bank guarantee for a sum of Rs.1,00,00,000 forthwith valid till December 31, 2017. In addition to this, the Court also directed to initiate the proceedings before the dispute resolution committee in terms of Article 29 of the license agreement entered between the parties. Currently, the matter is pending.

6. **Airport Authority of India vs PK Hospitality Services Private Limited- Arbitration Appeal No. 18 of 2018**

Airport Authority of India ("**Appellant**"), through its director at Goa has filed an appeal against PK Hospitality Services Private Limited ("**Respondent**") in the High Court of Bombay at Goa under Arbitration and Conciliation Act, 1996 to quash and set aside the order dated March 20, 2018 by the District Court, South Goa at Margao in the Arbitration Application No.5 of 2018. The District Court at Margao *vide* the said order restrained the Appellant from evicting the Respondent from the suit premises, i.e. the area of 340 sq. meters in the Airport Civil Enclave of new integrated terminal building of Goa Airport, in the manner contrary to the terms of the agreement till the conclusion of the arbitration proceeding. The matter is currently pending.

7. **Sou. Mathura Bhalchandra Vartak and Others. vs Laxman Bhaskar Vartak and Others.- Civil Suit No. 131 of 2008**

Sou. Mathura Bhalchandra Vartak and Ors. ("**Plaintiff**") has filed a civil suit against Laxman Bhaskar Vartak and Others in the Court of the Hon'ble Civil Judge (Senior Division) at Vasai for the partition and separate possession of the suit properties wherein our Company "Artemis Electricals Limited is Defendant No. 125 is the is a necessary party to the suit for partition and one of our Group Company, P.K Hospitality Limited is Defendant No. 124. For further details in relation to the said matter, please refer to the section "Litigations involving our Company" in this chapter.

c) ***Litigation Involving Actions by Statutory/Regulatory Authorities:***

NIL

d) ***Other Material Pending Litigations:***

NIL

IV) **Litigation by our Group Company:**

a) ***Litigation Involving Criminal Laws:***

1. **P.K. Hospitality Services Private Limited vs. Chander Amolakram Tara and Others.- Criminal Complaint no. 439 of 2015**

P.K. Hospitality Services Private Limited ("**Complainant**") has filed a criminal complaint against Chander Amolakram Tara and Others ("**Accused**") in the court of Vasai for misusing the power given to them under Power of Attorney pursuant to its termination. The Complainant has prayed to bring the Accused under book of law. Currently, the matter is ongoing and pending for verification.

b) ***Litigation Involving Civil Laws:***

1. **Garuda Aviation Services Private Limited vs Airport Director of Pune Airport- Petition No. 570 of 2017**

Garuda Aviation Services Private Limited ("**Petitioner**") has filed a petition against the Airport Director of Pune Airport ("**Respondent**") in High Court of Judicature of Bombay for challenging the arbitral award dated November 20, 2017 on the grounds of illegality, procedural impropriety and intentionality. The Airport Authority of India, Pune had, without the Petitioner's knowledge and will, altered the terms and conditions of the contract under which the Petitioner was granted the license for the management of the car park for a license fee of Rs. 10,61,786 per year. The Petitioner, therefore, prayed to set aside the said arbitral award and to stay on the same. In addition to this, the Petitioner also prayed to direct the Respondent to not encash the Bank Guarantee of Rs. 93,27,372. Currently, the matter is in the pre-admission stage and is pending.

2. **Garuda Aviations Services Private Limited vs Airport Authority of India- Application no. 3163/ 2018**

Garuda Aviations Services Private Limited had filed an appeal against the Airport Authority of India ("**Respondent**") in the High Court of Judicature at Madras against the orders of this Court dated September 12, 2017 and September 21, 2017 as the judge has failed to consider, understand that

clarification of order is necessary so as to remove the ambiguity which the Respondent are purposefully creating for not appointing an Arbitrator. The matter is currently pending.

3. **Garuda Aviation Services Private Limited vs Airports Authority of India- S.R. No. J-11845**

The Garuda Aviation Services Pvt Ltd ("**Appellant**") has filed an appeal against the Airports Authority of India ("**Respondent**") in the High Court of Judicature at Madras ("**Court**") against the order dated September 12, 2017 passed by Lordship Hon'ble Ms. Justice Anita Sumanth in the Application Nos. 3581 and 5380 of 2017. The Court vide the said order, directed the Appellant of this appeal to remit the arrears of license fee on or before September 18, 2017 and to furnish a bank guarantee for a sum of Rs.1,00,00,000 forthwith valid till December 12, 2017. The Court also issued the direction to immediately start the proceedings, as agreed to by both parties, before the Dispute Resolution Committee in terms of Article 29 of the License Agreement between the parties.

4. **Garuda Aviation Services Private Limited vs Airports Authority of India- S.R. No. J-11848**

The Garuda Aviation Services Private Limited ("**Appellant**") has filed an appeal against the Airports Authority of India ("**Respondent**") in the High Court of Judicature at Madras against the order dated September 21, 2017 passed by Lordship Hon'ble Ms. Justice Anita Sumanth in Application Nos. 3581 and 5380 of 2017. The High Court of Madras vide the said order declined to entertain the application for seeking recall of order dated September 09, 2017, passed in A. Nos. 3580 and 3581 of 2017 and modification of the same.

5. **Golden Chariot Hospitality Private Limited vs Brihanmumbai Municipal Corporation (BMC)**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") has filed a suit bearing no. 1540 of 2017 against the BMC ("**Defendant**") challenging Order in Dindoshi court issued against the Notice issued by the Defendant cancelling the NOC granted to the Plaintiff for carrying out the trade of eating house/ restaurant with the use of PBG as a fuel contending that it was not granted for the said premises. The Plaintiff prayed that the order passed by the Defendant and the show cause notice dated May 04, 2017 issued by the Defendant be declared as null and void. The Defendants be directed to accept the fees and renew the eating license subject to the condition to the outcome of this suit. The matter is currently pending.

6. **P.K. Hospitality Services Private Limited vs Chander Amolakram Tara and Others- Regular Civil Suit No. 972/2012**

P.K. Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against Chander Amolakram Tara and Others ("**Defendants**") in the Court of Civil Judge, Vasai for misusing the power given to the Defendants under the Power of Attorney pursuant to its termination. The Plaintiff in addition to the injunction, prayed for the invalidity of Deed of Conveyance and Deed of Confirmation since both of these were entered illegally by the Defendants. The matter is currently pending.

7. **Golden Chariot Hospitality Services Private Limited vs Lupin Performance Chemicals Limited- S.C Suit No. 2515 of 2013**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against Lupin Performance Chemicals Limited ("**Defendant**") in the Bombay City Civil Court at Dindoshi. The Plaintiff, through this suit, prayed for the permanent order and injunction of the Hon'ble Court, thereby restraining the Defendant, its servants, agents, affiliates and/or anybody claiming through,

along or under them from dispossessing the Plaintiff and/ or their staff members from the suit premises viz. the premises bearing no 3 and 4, admeasuring 98.71 sq. feet and 93.75 sq. feet respectively situated on the second floor of the shopping mall known as the Hub at Goregaon (East), Mumbai. The matter is currently pending.

8. **Golden Chariot Hospitality Service Private Limited vs The State of Maharashtra and Others- Writ Petition No. 1281 of 2017**

Golden Chariot Hospitality Service Private Limited ("**Plaintiff**") filed a writ petition against State of Maharashtra and Others ("**Defendant**") in the High Court of Judicature at Bombay. The Plaintiff prayed to issue a writ of mandamus and/or any other writ order or direction in the nature of mandamus ordering/ directing the Respondent No. 3, 4 and 5 to issue a No Objection Certificate or in alternative to examine the amalgated area being shop no. 23 and 24 situated at the Hub Mall, Goregaon (East), Mumbai ("**Premises**") and to declare the order dated October 07, 2015, issued on account of non-submission of NOC in respect of the said Premises null and void. The matter is currently pending.

9. **Golden Chariot Hospitality Services Private Limited vs The Municipal Corporation of Greater Mumbai and Others- Appeal No. 161 of 2017**

Golden Chariot Hospitality Services Private Limited has filed an appeal against the Municipal Corporation of Greater Mumbai and Others under section 394(5) of the Mumbai Municipal Corporation Act, 1888 in the Court of Small Causes at Bombay for interim stay on the order passed by the lower court on May 09, 2017 and interim stay on order of cancellation of trade license passed on March 06, 2017. The matter is currently pending.

10. **PK Hospitality Services Private Limited vs Airport Director of Goa Airport and Another- Regular Civil Suit No. 33 of 2016**

P.K. Hospitality Services Private Limited ("**Plaintiff**") filed a civil suit against the Airport Director of Goa Airport and Another ("**Defendants**") in the Court of Civil Judge Senior Division at Vasco de Gama under section 6 for the specific relief act along with injunction for the decree and direction to forthwith put the Plaintiff in peaceful, use, occupation and possession of the suit premises viz. (i) One snack counter outer arrival hall of NITB, (ii) Staff canteen near to old terminal building and (iii) Kitchen / old restaurant opposite to old terminal building and thus restore the status quo ante as prevailing vis – a vis the said suit premises.

The Plaintiff is a licensee at the Goa Airport for the purpose of operation of restaurant and four snack bars inside the terminal building in terms of the contract and timely amendment thereof since 19 years with the Defendants, being the lessor. The parties agreed to include an additional area of 25 % to the existing area @ 25 extra on the current license fee to be paid by Plaintiff w.e.f May 01, 2016 and the terms of the contract was according revised and agreed by the parties. However, the Defendants have failed to handover the excess area of 25 %. The Plaintiff has prayed to grant temporary/permanent injunction, thereby restraining the Defendants, its members and their agents, servants and representatives in the suit premises and to pass a direction to the Defendant to hand over the excess area of 25% according to the agreed terms and conditions of the contract. Currently the matter is ongoing and pending for order on interim application.

11. **PK Hospitality Services Private Limited vs Airport Authority of India- Regular Civil Suit No. 4 of 2017**

P.K. Hospitality Services Private Limited ("**Plaintiff**") had filed a civil suit against the Airport Authority of India ("**Defendant**") in the Civil Court at Vasco da Gama for the injunction and specific performance under Section 9 of the Code of Civil Procedure. The Plaintiff is the licensee at the Goa Airport, Civil enclave, Goa for operation of restaurant and four snack bars inside the terminal building as per agreement and timely amendment thereafter. The matter of this suit pertaining to the proposing to float a tender by the Defendant in respect of the additional area of 25% adjoining to the restaurant ("**Suit Premises**"), which was agreed to hand over to the Plaintiff under a concluded contract *vide* a letter of acceptance of proposal by Plaintiff dated July 08, 2016. The Plaintiff, therefore, prayed to direct the Defendant to specifically perform their agreement and thereby handover additional 25% of area to the Plaintiff. The Plaintiff also prayed to grant a permanent injunction in favor of the Plaintiff by restraining the Defendant, its members and their agents, servants, representatives or any other persons acting on their behalf by not creating third party rights or obstacles near the suit premises and further restrain the Defendant from starting any tender process in respect of the excess / additional area. The matter is currently pending.

12. **PK Hospitality Services Private Limited vs Airport Director of Goa Airport and Airport Authority of India- Regular Civil Suit No. 4 of 2017**

P.K. Hospitality Services Private Limited ("**Plaintiff**") had filed a civil suit against the Airport Director of Goa Airport and Airport Authority of India (collectively the "**Defendants**") in the Civil Court at Vasco da Gama. The matter of this suit pertaining to the termination and vacation letters dated February 28, 2017 and March 06, 2017 by the Defendants for not extending the temporary extension granted to the Plaintiff for restaurant at Domestic/ International SHA and 4 snack bars at different location beyond March 31, 2017. Therefore, the Plaintiff in this suit prayed to restrain the defendants or their agents, servants, representatives or any other persons acting on their behalf from giving any effect to or acting in terms of the said termination and vacation letters. The Plaintiff also prayed for declaring the said termination and vacation letters as null and void. The matter is currently pending.

13. **PK Hospitality Services Private Limited vs Brihanmumbai Municipal Corporation- Suit no. 1137/2012**

PK Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against BMC ("**Defendant**") in Dindoshi Court, Mumbai for dispute over disconnection of water connection at the commercial premises bearing no. 401 admeasuring 1820 sq. feet on the fourth floor of the building known as V Mall situated at Poisar, Kandivali (East), Mumbai. The Plaintiff prayed for the direction to the Defendant to immediately restore the water connection and also for the permanent order and injunction thereby restraining the Defendant, its officers and agents from disconnection the water connection. The matter is currently pending.

14. **PK Hospitality Services Private Limited vs Asset Reconstruction Company & Others- Misc Application No. 84 of 2013**

PK Hospitality Services Private Limited ("**Plaintiff**") has filed appeal in Debt Recovery Tribunal No. II, Mumbai against the Asset Reconstruction Company & Others ("**Defendant**") for modification of the judgement dated November 14, 2008 passed in original application no. 131 of 2006 in respect of the dispute over the mortgaged property situated at survey no 44, Hissa no. 5/1 and 10/1, in the registration district and sub district of Thane ("**Mortgaged Property**"). The Plaintiff being a third party

was not aware of the impugned order dated November 14, 2008 creating a purported mortgage on the Mortgaged Property. The Plaintiff is the sole owner of the Mortgaged Property and the mortgaged was created by the Defendant on the Mortgaged Property claiming it to being his personal property. Therefore, the Plaintiff prayed to modify the impugned judgement dated November 14, 2008 and declare that the alleged Mortgaged Property is in fact not mortgaged in the favour of the Respondent and also grant interim relief pending the hearing and final disposal of the suit. The matter is currently pending.

15. **PK Hospitality Services Private Limited vs Airport Authority of India, Pune**

PK Hospitality Services Private Limited ("**Claimant**") has filed an arbitration proceeding against the Airport Authority of India, Pune ("**Respondent**") before the sole Arbitrator A.N.K Kaimal. The Claimant was awarded contract of restaurant and snack bar admeasuring 445.93 sq meters at civil enclave, Pune Airport for a period of 120 months commencing from September 20, 2007 to September 19, 2017. In 2009, the restaurant of the Claimant was sifted to new departure hall at the Pune Airport due to the expansion/ renovation work at the airport. The Claimant suffered huge expenses in sifting and their restaurant in old building was wasted. The Respondent failed to adhere to the terms and conditions of the contract and was duty bound to provide rebate of the license fee upon sifting of the restaurant. The Claimant, therefore, prayed that since the Respondent failed to discharge its obligations under the contract with respect to the lease of the restaurant property at Pune Airport, an award for a sum of Rs. 20,33,00,620 be awarded for the losses suffered due to the breach of the contract. In addition to the above, the claimant also prayed for an award for interest and damages suffered by the Claimant. The matter is currently pending.

16. **PK Hospitality Services Private Limited vs State of Uttarakhand & Others- Civil Writ Petition No. 3038 of 2017**

P.K. Hospitality Services Private Limited ("**Petitioner**") has filed a writ petition against the State of Uttarakhand & Others ("**Respondents**") before the Hon'ble High Court of Uttarakhand at Nainital for the declaration of the proceeding in Case No.1/2017, Notice for recovery under section 28G (2) of Airport Authority Act, 1994, against the Petitioner as illegal, arbitrary and void. The Petitioner also prayed to issue any appropriate order or direction or a writ, more particularly a writ of certiorari to call for the records and set aside the impugned order issued by the Eviction Authority, Airport Authority of India ("**Respondent No. 3**"). Herein, the Civil Court at Rishikesh vide the order dated October 01, 2016 directed the Respondents of this writ petition to not to dispose the Plaintiff without following the due process of law. However, the Eviction Officer had issued the notice to the Petitioner for eviction of premises. Further, the Respondent No. 3 vide the letter dated April 27, 2017 initiated a proceeding under section 28G (2) of Airport Authority of India Act, 1994 for unauthorized occupation during the period from July 05, 2015 to January 08, 2017 at AAI Dehradun Airport. The matter is currently pending.

17. **Golden Chariot Hospitality Private Limited vs Municipal Corporation of Greater Mumbai and Assistant Commissioner, Municipal Scholl Building, Goregaon - Suit No. 2659 of 2014**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") has filed a civil suit against the Municipal Corporation of Greater Mumbai and Assistant Commissioner, Mithanagar, Municipal Scholl Building, Goregaon (W) in the City Civil Court at Dindoshi ("**Assistant Commissioner**"), (collectively the "**Defendants**") challenging the notices issued by the Assistant Commissioner on November 08, 2014 and November 10, 2014 under section 394(4) of the Mumbai Municipal Corporation Act, 1988 to discontinue the use of the shop no 11, 23 and 24 owned by the Plaintiff at the Hub Mall Goregaon (East). The Plaintiff in addition for the declaration of said notices as null and

void, also prayed for the restraintment of the Defendants and their officers by a permanent order and injunction from implementing the said notice. The matter is currently pending.

18. **Golden Chariot Hospitality Services Private Limited vs The Municipal Corporation of Greater Mumbai and Others- L.C. Suit No. 827 of 2016**

Golden Chariot Hospitality Services Private Limited ("**Plaintiff**") had filed a suit against the Municipal Corporation of Greater Mumbai, Assistant Commissioner, Goregaon West and Designated Officer-I, Asst., Engr (B&F) Goregaon West ("**Defendant No. 3**"), (collectively the "**Defendants**") in the City Civil Court at Dindoshi challenging the notices issued by the BMC ("**Defendant**") on February 09, 2016 and March 22, 2016 under section 351 of the Mumbai Municipal Corporation Act, 1988 for unauthorized addition/alteration of Golden Chariot & Hotel Monkey Brass by amalgamating the shops passage and food court, unauthorized addition of toilet block, construction of loft in toilet block and kitchen and unauthorized AC unit in the staircase area at second floor Hub Mall Goregaon (East). The Plaintiff, in this suit, in addition to the declaration of said notices as declared as null and void, also prayed for the restraintment of the Defendant and their officers by a permanent order and injunction from implementing the said notice. The matter is currently pending.

19. **Golden Chariot Retreats and Infra Private Limited vs. Sahara Hospitality Ltd & Others- Suit No. 1855/2018**

Golden Chariot Retreats and Infra Private Limited ("**Plaintiff**") filed a suit against the Sahara Hospitality Limited & Others ("**Defendants**") in the City Civil Court, Dindoshi for the declaration and permanent injunction. The Plaintiff, in this suit, prayed for the granting of declaration of the notice dated June 11, 2018 issued by Abhishek Kumar Jain, one of the Defendants, be void and illegal and to restrain the Defendants from dispossessing Plaintiff and its deputed from an area of 9,210 sq. ft. within the Sahara Star Hotel, situated at Vile Parle (E) ("**Suit Premises**"). Herein, the Plaintiff had executed a Conducting Agreement dated May 12, 2017 ("**Agreement**") with the Sahara Hospitality Limited for operating the suit premises. However, the Defendants *vide* the notice dated June 11, 2018 had levelled unexplained allegations and warned to terminate the Agreement and Supplementary agreement dated December 7, 2017 and demanded to vacate and peaceful possession of the Lounge/Cafe & Bistro/Restaurant demarcated premises of 9,210 sq. ft. on or before June 30, 2018 in contrary to the terms and conditions of the Agreement and Supplementary agreement dated December 7, 2017. The matter is currently pending.

20. **Pravin Kumar Agarwal & Others vs M/s. Pranik Landmark Associates & Others- S.C. Suit No. 40 of 2011**

Pravin Kumar Agarwal & Others have filed a suit against M/s. Pranik Landmark Associates & Others in the Bombay City Civil Court at Dindoshi Court, wherein, our Group Company, Golden Chariot Hospitality Services Private Limited is Defendant No. 5. For further details in relation to the said matter, please refer to the section "**Litigations by our Promoters**" in this chapter.

21. **Golden Chariot Retreats and Infra Private Limited vs. Sahara Hospitality Limited & Others- Arbitration Petition No. 684/ 2018**

The arbitration petition is between the Golden Chariot Retreats and Infra Private Limited ("**Claimant**") and Sahara Hospitality Limited & Others ("**Respondents**") before the Learned Sole Arbitrator Advocate Ms. Ankita Singhania. The dispute in this arbitration proceeding is pertaining to the termination of an agreement dated February 06, 2015 *vide* a notice dated June 11, 2018 by the legal head of Sahara Hospitality Limited ("**Defendant No. 1**"). Herein, Defendant No. 1 *vide* the said agreement, granted the rights for running and maintaining the spa and wellness center at ground floor

level inside Sahara Star Hotel at Vile Parle East admeasuring 19,000 sq. ft. area Claimant for a period of 15 years. However, the Defendants *vide* the said notice dated June 11, 2018 under the allegation of breach of terms and material breach had called upon the Claimant to handover the peaceful possession on or before 30th June 2018. The Claimant, therefore, prayed to set aside the termination notice dated June 11, 2018 since the Defendants ignored the termination clause of the said agreement. Currently, the matter is pending.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities:*

NIL

d) *Other Material Pending Litigations:*

E. OUTSTANDING TAX MATTERS

The details of the amount of the outstanding tax matter payable by our Company, our Directors and our Promoters as on the date of filing of this Draft Red Herring Prospectus as summarized as below:

I) DIRECT TAX

a) Income Tax

Period (A.Y)	Number of cases	Amount to the extent ascertainable (Rs.)
<i>Our Company</i>		
2016-17	1	49,11,320
<i>Our Promoters</i>		
Pravin Kumar Agarwal		
2001-02	1	861
2008-09	1	23,01,070
2009-10	1	9,79,990
2010-11	1	4,09,250
2011-12	1	73,560
2012-13	1	7,540
2015-16	1	38,710
Yashvikram Infrastructure Projects Private Limited		
2011-12	1	13,95,440
2012-13	1	2,980
2013-14	1	10,58,190
2014-15	1	30,77,040
Total		93,44,631
<i>Our Directors (Other than our Promoters)</i>		
Chandrahhas Narayan Shetty		
2014-15	1	19,630
<i>Our Group Companies</i>		
PK Hospitality Services Private Limited		
2007-08	2	97,49,036
2008-09	2	79,64,678
2010-11	1	2,340
2011-12	1	11,01,750

Period (A.Y)	Number of cases	Amount to the extent ascertainable (Rs.)
2012-13	1	1,92,910
2013-14	1	8,20,160
2014-15	1	7,15,320
2015-16	1	27,80,820
Garuda Aviation Services Private Limited		
2008-09	1	18,000
2009-10	1	3,880
2012-13	1	44,760
Golden Chariot Hospitality Services Private Limited		
2006-07	1	38,995
2008-09	1	3,21,780
2009-10	2	3,33,570
2011-12	1	9,36,610
2013-14	1	4,06,090
2016-17	1	4,88,200
Total		2,59,18,899
<i>Our Subsidiaries</i>		
NIL		

b) **TDS**

Period (A.Y)	Number of cases	Amount to the extent ascertainable (Rs.)
<i>Our Company</i>		
Prior Years	1	31,470
2014-15	1	76,530
2015-16	1	13,620
2016-17	1	1,550
2017-18	1	84,250
Total		2,07,420
<i>Our Promoters</i>		
Yashvikram Infrastructure Projects Private Limited		
Prior Years	1	37,860
2014-15	1	400
2015-16	1	310
2017-18	1	370
Total		38,940
<i>Our Group Companies</i>		
PK Hospitality Services Private Limited		
Prior Years	1	15,12,540
2014-15	1	24,150
2015-16	1	46,810
2016-17	1	61,650
2017-18	1	89,620
Garuda Aviation Services Private Limited		
Prior Years	1	3,85,070
2014-15	1	1,97,520

Period (A.Y)	Number of cases	Amount to the extent ascertainable (Rs.)
2015-16	1	180
2017-18	1	640
Golden Chariot Hospitality Services Private Limited		
Prior Years	1	9,09,510
2014-15	1	2,21,240
2015-16	1	61,030
2016-17	1	1,57,730
2017-18	1	58,110
Golden Chariot Retreats and Infra Private Limited		
2015-16	1	1,26,360
2016-17	1	36,000
Electro Force (India) Private Limited		
Prior Years	1	122090
2014-15	1	7670
2015-16	1	2180
2017-18	1	30710
Total		40,50,810

II) INDIRECT TAX :

NIL

F. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY

Based on the Restated Financial Statements as on March 31, 2018, our Company does not owe a sum exceeding [insert] to any undertaking except the following:

Material Creditors	Amount involved (Rs. in lakhs)
BDMV International Trading Private Limited	1,111.34
Sapna Enterprises	640.78
Bajaj Electricals Limited	741.79

G. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page [●] of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since March 31, 2018 any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see "Key Industry Regulations and Policies" on page 193 of this Draft Red Herring Prospectus. Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

I. Approvals in relation to the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on June 26, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the annual general meeting held on August 18, 2018, authorized the Issue.
3. In-principle approval dated [●] from the BSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue.

II. Approvals for our Company

Incorporation details

1. Certificate of incorporation dated October 26, 2009 issued by the RoC, Mumbai, Maharashtra in the name of Artemis Electricals Private Limited.
2. Fresh certificate of incorporation consequent upon change of name on conversion to Public Company dated August 27, 2015 issued by the RoC, Mumbai, Maharashtra.
3. The Corporate Identity Number (CIN) of the Company is U51505MH2009PLC196683.

Tax related approvals

1. The permanent account number of our Company is AAICA0014B issued by Income Tax Department under the Income Tax Act, 1961.
2. The tax deduction account number of our Company is MUMA36652A issued by Income Tax Department under the Income Tax Act, 1961.
3. The GST registration number of our Company is 27AAICA0014B1ZI issued by Government of India on September 22, 2017 under the Goods and Service Tax Act, 2017 for its principal place of business at Building No.1, Gala no. 105/108, Artemis Complex, Survey no.39, Hissa No.5, Vasai (East), Thane, Maharashtra 401208 and its additional place of business at 142, Garuda House, Upper Govind Nagar, Malad East, Mumbai, Maharashtra - 400097.
4. Certificate of registration bearing registration number 27630743058P issued by Deputy Professional Tax Commissioner, Mumbai for registration under the Maharashtra State Tax on Profession, Trade, Calling and Employment Act, 1975 *
5. The Service Tax number of our Company is AAICA0014BSD005 issued by Department of Revenue of Ministry of Finance under Chapter V of the Finance Act, 1994.
6. The Central Excise Registration number of our Company is AAICA0014BEM003 issued by Central Board of Excise and Custom under the Central Excise Act, 1944.

**Applications dated January 21, 2016 has been made to the Profession Tax Officer for change in name and address of the Company from Artemis Electricals Pvt Ltd to Artemis Electricals Limited and address.*

Establishment, business related approvals

1. Entrepreneurs' memorandum acknowledgment dated May 25, 2012 issued by the District Industries Centre, Thane to our Company for manufacturing of electronic items (LED Set) in prescribed capacity per annum.
2. Our Company has obtained the Udyog Aadhar Memorandum bearing number MH33C0064926 under The Micro, Small and Medium Enterprise Developments Act, 2006 issued by the Ministry of Micro, Small & Medium Enterprises dated August 27, 2018.
3. Factory Layout Approval bearing registration no. 1348 dated April 26, 2016 issued by Directorate of Industrial Safety & Health.
4. Certificate of registration bearing registration number 760116025 dated November 16, 2009 issued by Inspector under Shop and Establishment Act, 1948 for our place of business at Garuda House, Upper Govind Nagar, Malad (E), Mumbai.
7. Our Company has received a Consent to Operate bearing a consent no. SRO-THANE II/CONSENT/R/1708000442 dated August 11, 2017 from the Maharashtra Pollution Control Board for manufacturing of Assembly of Electronic Items such as Lighting Components & Lighting Products. The consent to operate is granted for a period up to October 31, 2022.
8. Our Company has obtained the Certificate of Importer-Exporter Code bearing IEC number 0310031494 issued by the Foreign Trade, Ministry of Commerce dated August 11, 2010.

Quality Certifications obtained by Our Company

1. Certificate of registration bearing certificate number 11166 dated May 11, 2016, issued by American Quality Standards Registrars (AQSR) stating that the occupational health & safety management system of our Company conforms to OHSAS 18001:2007. This certificate is valid until May 10, 2019.
2. Certificate of registration bearing certificate number 11165 dated May 11, 2016, issued by American Quality Standards Registrars (AQSR) stating that the Quality management system of our Company conforms to ISO 14001:2015. This certificate is valid until May 10, 2019

Labour and Employment related approvals

1. Certificate of registration bearing registration number MH/213484 dated October 1, 2010 issued by Regional Provident Fund Commissioner, Maharashtra for registration of the employees under the Employees Provident Funds and Miscellaneous Provision Act, 1952.
2. Certificate of registration bearing registration number 35000319810000699 dated October 1, 2010 issued by Sub Regional Office Mumbai, Employee State Insurance Corporation for registration of the fifty-two employees under the Employees State Insurance Act, 1948.
3. Certificate of registration bearing registration number MUM42501 issued by Maharashtra Labour Welfare Board under the Maharashtra Labour Welfare Fund.*

**Applications dated August 28, 2018 has been made to the Maharashtra Labour Welfare Fund Board for change in name and address of the Company from Artemis Electricals Pvt Ltd to Artemis Electricals Limited and address from 142, Garuda House, Upper Govind Nagar, Hanuman Temple Malad East Mumbai to Artemis Complex, Gala No. 105 and 108, National Express Highway Vasai East, Thane 401208 in its Certificate of registration bearing registration number MUM42501 issued by Maharashtra Labour Welfare Board under the Maharashtra Labour Welfare Fund.*

Intellectual property approval obtained by Our Company

1. Our Company has obtained trademark registration certificate bearing registration number 2261106 under class 9 for registration of trade name 'ARTEMIS' from the Registrar of Trademark. The same is valid and due for renewal on January 04, 2022.

Licenses pending for approval of Our Company

The Company has made an application dated October 25, 2013 to the Industrial Safety & Health Department of Maharashtra for the License to work a factory under the Factories Act, 1948 and it is currently pending for approval.

OTHER REGULATORY AND STATUTORY APPROVALS

Authority for the Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on June 26, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on August 03, 2018 authorized the Issue.

Our Company has obtained In-principle approval from the SME Platform of BSE Limited for using its name in the Draft Red Herring Prospectus pursuant to an approval letter dated [●]. BSE Limited is the Designated Stock Exchange.

Prohibition by SEBI or other governmental authorities

Our Company, our Promoters, members of the Promoter Group, our Directors, Group Companies or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or Government Authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoters, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

Prohibition by RBI

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter by the RBI or other governmental authority and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” on page [●] of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company has complied with the following conditions specified in Regulation 4(2) of the SEBI (ICDR) Regulations to the extent applicable:

- (a) Our Company, our Directors and the companies with which our Directors are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- (b) Our Company has applied to the SME Platform of BSE Limited for obtaining their In-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approval

from the SME Platform of BSE Limited pursuant to its letter dated [●]. For the purposes of this Issue, the BSE Limited shall be the Designated Stock Exchange;

- (c) Our Company has entered into tripartite agreement dated 07/12/2015 with NSDL and Cameo Corporate Services Limited for dematerialization of the Equity Shares;
- (d) Our Company has entered into tripartite agreement dated 18/11/2015 with CDSL and Cameo Corporate Services Limited, for dematerialization of the Equity Shares; and
- (e) The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

Further, in compliance with Regulation 4(5) of the SEBI (ICDR) Regulations, none of our Company, Promoters or Directors is a Wilful Defaulter, as on the date of this Draft Red Herring Prospectus.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than Rs.10 Crore and but less than Rs. 25 Crore, Therefore, we may issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the 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 – Underwriting*” beginning on page 87 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) of the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits 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 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 – Details of the Market Making Arrangements for this Issue*” beginning on page 88 of this Draft Red Herring Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net-worth of the company is positive.

7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. Our Company shall facilitate mandatory trading in Demat securities and has entered into an agreement with CDSL and NSDL
11. The Company has a website: www.artemiselectricals.com

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 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.

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company has complied with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 113 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, Our Company has not been formed by the conversion of the partnership firm into a company

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HOLANI CONSULTANTS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER 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 INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HOLANI CONSULTANTS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], 2017 WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE-

MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM 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 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 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 UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER 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. -**
- 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.**

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. –
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 OFFER 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)
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
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS – NOT APPLICABLE

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 ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.

5. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR 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. - NOT APPLICABLE.**
6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE -.**

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the Draft red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Holani Consultants Private Limited

For details regarding the price information and track record of the past issue handled by Holani Consultants 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.holaniconsultants.co.in

Track Record of past issues handled by Holani Consultants Private Limited

For details regarding the price information and track record of the past issue handled by Holani Consultants 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.holaniconsultants.co.in

Disclaimer from our Company and the Book Running Lead Manager

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on [●] and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

Note

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2500.00 (Twenty Five Hundred) Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 (Twenty Five Hundred) Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Jaipur (Rajasthan), India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The equity shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons

in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Red Herring Prospectus is being filed with BSE Limited, P.J Towers, Dalal Street, Mumbai-400001, Maharashtra.

This Draft Red Herring Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, Plot No. C4-A, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra. for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32, 26 and 33 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies,

Mumbai.

Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE Limited. Our Company has obtained in principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this 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 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 BSE Limited mentioned above are taken within 6 (Sixth) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within 6 (Sixth) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- (a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes for frauds involving an amount of at least Rs.10,00,000/- or 1% of the turnover of the company, whichever is lower, imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where the fraud involves an amount less than Rs.10,00,000/- or one per cent of the turnover of the company, whichever is lower and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or fine which may extend to Rs.20,00,000/- or with both.

Consents

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor (b) Book Runner Lead Manager, Registrar to the Issue, Banker(s) to the Issue*, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Mittal Agarwal & Company, Chartered Accountants, Statutory Auditor and Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft red Herring Prospectus.

Experts Opinion

Except for the reports in the section titled “*Financial Statement*”, “*Statement of Tax Benefits*” and “*Material Contracts and Documents for Inspection*” beginning on page 251, 125 and page 416 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor and Our Company, Practicing Company Secretary, our Company has not obtained any expert opinions.

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 115 of this Draft Red Herring Prospectus.

Fees, Brokerage and Selling Commission payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the (i) Issue Agreement dated [●], with the Book Running Lead Manager [●], (ii) the Underwriting Agreement dated [●] with Underwriter and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Red Herring Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated [●] a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post/ under certificate of posting.

Particulars regarding Public or Rights Issues during the last five (5) years

Except as disclosed in chapter titled “*Capital Structure*” beginning on page 91 in this Draft Red Herring Prospectus, our Company has not made any previous public or rights issue in India or Abroad the 5 (five) years are an “unlisted Issuer” in terms of SEBI (ICDR) regulations as on date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For a detailed description, see chapter titled “*Capital Structure*” beginning on page 91 of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated in the chapter titled “*Capital Structure*” beginning on page 91 of this Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group/ Associate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only and the equity shares on allotment shall be traded on stock exchange in demat segment only.

Stock Market Data of the Equity Shares

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges. Thus, there is no stock market data available for the equity shares of our company

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least 3 (three) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of Draft Red Herring Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted. Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 15(fifteen) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Alheena Khan as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Alheena Khan

Artemis Electricals Limited

Artemis Complex, Gala No. 105 & 108,

National Express Highway,

Vasai (East), Thane - 401208

Tel: +91-9200202514

Email: alheenakhan@gmail.com

For further details, see chapter titled “*Our Management*” beginning on page 208 of this Draft Red Herring Prospectus.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

There has been no change in Auditors of our Company during the last three financial years.

Capitalization of Reserves or Profits

Except as disclosed under section titled “*Capital Structure*” beginning on page 91 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last 5 (five) years.

Revaluation of Assets

Our Company has not revalued its assets in 5 (five) years preceding the date of this Draft Red Herring Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the chapter titled “*Statement of Tax Benefits*” beginning on page 125 of this Draft Red Herring Prospectus.

Purchase of Property

Other than as disclosed in chapter titled “*Our Business*” on page 173 of the 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 the Draft Red Herring Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principle in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Our Management*” beginning on page 208 and “*Related Party Transactions*” beginning on page 249 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company

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 Draft 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 Exchanges, 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 authorized 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.

AUTHORITY FOR THE ISSUE

The Issue of Equity Shares has been authorized by the Board of the Directors of our Company at their meeting held on Tuesday, June 26th, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Annual General Meeting held on Saturday, August 18th, 2018 in accordance with provisions of Section 62(1) (c) of the Companies Act, 2013.

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 394 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, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 250 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 Book Running Lead Managers (BRLMs) and advertised in [●] edition of the English national newspaper [●],[●] edition of the Hindi national newspaper [●] and the Regional newspaper [●], each with wide circulation, at least five working days prior to the Bid/Issue Opening Date and shall be made available to the stock exchanges 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 the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

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, 2009. 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 offer for right 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, 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 394 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 dematerialized form. As per the existing SEBI (ICDR) Regulations, 2009, the trading of the Equity Shares shall only be in dematerialized form for all investors. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated December 07th, 2015 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated November 18th, 2015 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the equity shares is in dematerialized form, the tradable lot is [●] Equity Shares. Allocation and allotment of Equity Shares in this issue will be only in electronic form in multiples of [●] Equity Shares 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 6 working days of the closure of the issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan, 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 with 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 death of the nominee during his/her 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 with 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 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 Exchanges 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 filed 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.

PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

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 Exchanges, in case of Bids by Retail Individual Bidders after considering the total number of Bids received up to the closure of timings and reported by the BRLM 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, 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 BRLM is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this 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 BRLM and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

MINIMUM SUBSCRIPTION

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 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 devolvment 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 Stock Exchange from SME Platform at a later date subject to the following condition and/or such other conditions as applicable from time to time:

- (a) 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 Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to Stock Exchanges 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 our company is more than Rs. 1,000 lakhs and up to Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board 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 Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares issued and transferred through this Issue are proposed to be listed on the SME Platform of BSE Limited ("BSE SME") 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 of shares issued through the prospectus. For further details of the market making arrangement please refer to chapter titled "*General Information*" beginning on page 78 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 the SME Platform of BSE Limited.

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 DEMATERIALISED 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

The Issuer Company is not issuing any new financial instruments such as deep discount bonds, debentures, warrants, secured premium notes, etc. through this Issue.

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 91 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, 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 394 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 BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM 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, an issuer, whose post issue face value capital is more than rupees ten crores and up to rupees 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 331 and 342 of this Draft Red Herring Prospectus respectively.

Following is the Issue structure:

Initial Public Issue of up to [●] 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 up to [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

Particulars	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	Up to [●] Equity shares	Up to [●] Equity shares
Percentage of Issue Size available for allocation	Up to [●] % of the Issue Size	Up to [●] % of the Issue Size
Basis of Allotment / Allocation if respective category is oversubscribed	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 "Issue Procedure" beginning on page 342 of this Draft Red Herring Prospectus	Firm Allotment
Mode of Bid cum Application	All applicants / Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only
Minimum Bid Size	For QIB and NII Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000 For Retail Individuals [●] Equity Shares	Up to [●] Equity Shares of Face Value of Rs. 10.00 each
Maximum Bid Size	For Other than Retail Individual Investors: For all other investors the maximum application size is the Net Issue to the public subject to limits as the investor has to adhere under the relevant laws and	Up to [●] Equity Shares of Face Value of Rs. 10.00 each

	regulations as applicable. For Retail Individuals: [●] Equity Shares	
Mode of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
Trading Lot	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
Terms of Payment	The entire Bid Amount will be payable at the time of submission of the Bid Form.	

*the allocation in the net issue to public shall be as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
 - (i) individual applicants other than retail individual investors; and
 - (ii) other investors including corporates or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

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

In accordance with the SEBI ICDR Regulations, our Company in consultation with the BRLM, reserves 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 Exchanges 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 Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed 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.

ISSUE PROGRAMME

Bid/Issue Opening Date	<input checked="" type="checkbox"/>
Bid/Issue Closing Date	<input checked="" type="checkbox"/>
Finalization of Basis of Allotment with the Designated Stock Exchange	<input checked="" type="checkbox"/>
Initiation of Refunds	<input checked="" type="checkbox"/>
Credit of Equity Shares to Demat Accounts of Allottees	<input checked="" type="checkbox"/>
Commencement of trading of the Equity Shares on the Stock Exchange	<input checked="" type="checkbox"/>

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 Centers 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 exchanges 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 23rd, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/PLICYCELL/11/2015 dated November 10th, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21st, 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 include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information document has also been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document would be made available with the BRLM and would also be made available on the websites of the Stock Exchanges and the BRLM before opening of Issue. 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 shall not be 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. Bidders applying through the ASBA process should carefully read the provisions applicable to such Bids before making their Bid through the ASBA process. 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 shall be provided on www.bseindia.com. For details on their designated branches for submitting 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 01st, 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 (ICDR) Regulation, 2009 through Book Building Process wherein at least 50% of the Net Issue to Public shall be available for the allocation to Retail Individual Bidders and the balance shall be available for the allocation to

QIBs & Non – Institutional Bidders. Further, if the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investor shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non – retail portion issued to the remaining investors including QIBs and NIIs and vice – versa subject to valid bids being received from them 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 dematerialized 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 exchanges, 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 dematerialized segment of the Stock Exchanges.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE Limited (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one working day prior to the Bid / Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid Cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colors of the Application Form for various investors applying in the Issue are 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, FVCIs, FIIs, their Sub – Accounts (other than Sub – Accounts which are foreign corporates or foreign individuals applying under the QIB Portion), 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 – SCSBs Bank.

Applicants / Bidders shall only use the specified Bid cum Application Form for making a Bid in terms of the Draft Red Herring Prospectus. The Bid cum Application Form shall contain information about the Applicant / Bidder 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 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(s) 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(s). 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 authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

Availability of Prospectus and Application Forms

The Bid cum Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to the Issue and Registrar to the Issue as mentioned in the Application Form. The Bid cum Application Forms may also be downloaded from the website of BSE Limited (www.bseindia.com).

Designated Intermediaries (other than SCSBs) shall submit / deliver the Bid cum Application Forms to respective SCSBs where the Applicant has a bank account and shall not submit it to any non – SCSB Banks.

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 corporate or foreign individuals only under the Non – Institutional Investors (NIIs) category;
- Scientific and / or industrial research organizations authorized 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, 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 the minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in the 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 the 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 200,000 for being considered for allocation in the Non – Institutional Portion.

INFORMATION FOR THE BIDDERS

1. Our Company shall file Red Herring Prospectus with the ROC at least three working days before the Bid / Issue Opening Date.
2. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre – issue advertisement, in the form prescribed under ICDR Regulations, in two widely circulated national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format. In the pre – issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date and Issue Closing Date. This advertisement, subject to provisions of Companies Act, shall be in the prescribed format in Part A of Schedule XIII of ICDR Regulations.
3. The price band as decided by the company in consultation with the BRLM is Rs.[●] per Equity Share. The Floor Price of the Equity Share 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 Bid / Issue Opening date in English and Hindi National Newspapers and one regional newspaper with wide circulation.
4. This announcement shall contain relevant Financial Ratios computed for both upper and lower end of the price band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be prefilled in the Bid cum Application forms available on the website of the stock exchanges.

5. 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 Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and the terminals of the member 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 Exchanges by the SCSBs / Syndicate Members do not match with PAN, the DP ID and Client ID available in the Depository database, the 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 Limited (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 websites of SCSBs (via Internet Banking) and BSE (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 purchase 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 Forms 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 is 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 sub – account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub – account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of 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 of 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 color).

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 / Applicants 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 Application 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 Bid 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 without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *Equity shares of a company*: The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. *The entire group of the investee company*: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re – insurer 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 operates*: not more than 15% of the fund of a life insurer or a general insurer or a re – insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) 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 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, the 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. 2500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 Lakhs, 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 COMPANIES

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 (ASBA Form), failing which our Company reserve the right to reject any Bid 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 capital of the investee company, not being its subsidiary engaged in non – financial services or 10% of the bank's own paid up capital and reserves, whichever is lower. Provided, investments in excess of 10% but not exceeding 30% of the paid up share capital of such investee company shall be permissible in the following circumstances: (i) If the investee company is engaged in non – financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, 1949; or (ii) If 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 shall 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 exceptions 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 13th, 2012 and January 02nd, 2013. Such SCSBs are required to ensure that for making Bids

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 / Applicant.

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of Rs. [●] per equity 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 finalization 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 Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of 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 finalization 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 10th, 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, the BRLM and the Market Maker have entered into an Underwriting Agreement dated [●].

- b) A copy of the Draft Red Herring Prospectus will be filed with the ROC in terms of Section 26 and 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 one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily 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 filing of the Prospectus with 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 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 Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have bids within the Price Band;
3. Read all the instructions carefully and complete the applicable 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 Bidder's depository account is active, as Allotment of the Equity Shares will be in the dematerialised 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 Application 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 30th, 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 20th, 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 are indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporate, 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 Exchanges 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 authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid / Application Amount mentioned in the Bid cum Application Form at the time of submission of the Bid / Application;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- 23. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount 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 / Applicants**);
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 Applicants**);
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 / Applicant;
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; and
- 17. 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, reserve 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 the 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 falls within two different price bands then the minimum lot size should 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 QIBs 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 to the Issue quoting the full name of the sole or First Bidder / Applicant, Bid cum Application Form number, Bidders / Applicants 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 to the Issue in case of any pre – issue or post – issue related problems such as non – receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, 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 undertakes 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 exchanges 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 Exchanges / RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. If 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 Fresh 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 Fresh Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue Proceeds remains unutilized, 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 Fresh 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 utilization of the proceeds of the Issue.
5. Our company shall not have recourse to the Issue Proceeds until the approval for the listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

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 has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated December 07th, 2015 among NSDL, the Company and the Registrar to the Issue;
 - b. Agreement dated November 18th, 2015 among CDSL, the Company and the Registrar to the Issue;
- The Company's shares bear ISIN no. INE757T01017.

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/Applicants 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 /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/Applicants 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/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant 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/Applicants should carefully read the entire RHP/Prospectus and the 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 exchanges, 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.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 INITIAL PUBLIC ISSUE (IPO)

An IPO means an issue of specified securities by an unlisted Issuer to the public for subscription and may include an Issue 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, if applicable. 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 ISSUE (FPO)

An FPO means an issue of specified securities by a listed Issuer to the public for subscription and may include Issue 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 Red Herring Prospectus/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) Regulations.

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 Issue Document with SEBI nor has SEBI issue any observations on the Issue Document. The Book Running Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, 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 should have track record of at least 3 years.
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive.
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (k) 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.
- (l) 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 (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 2,500 Lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited 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 shall mention Price in the Draft 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/Applicants 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 Red Herring Prospectus/Prospectus for

details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

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 Exchanges 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 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), the Company shall apply to SE 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

- (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/Applicants, 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/Applicants 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/Applicants 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 Exchanges.

Bid cum Application forms are available with the book running lead manager, 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 Exchanges at least one day prior to the Bid/Issue Opening date. For further details, regarding availability of Bid cum Application forms, Bidders/Applicants may refer to the DRHP/RHP.

Fixed Price Issue: Bidders/Applicants should only use the specified Bid cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Bid cum 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 Bid cum Application Forms, Bidders/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:

Category	Colour of the Bid cum Application Form (Excluding downloaded from SE)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue

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/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the DRHP 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/Applicants and the Bid cum Application Form for non- resident Bidders/Applicants are reproduced below:

R Bid cum Application Form

COMMON APPLICATION FORM

ARTEMIS ELECTRICALS LIMITED - INITIAL PUBLIC ISSUE-R
Registered Office: Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East),
Thane - 401208 Tel: +91 - 22 - 29275032 Fax: +91 - 22 - 29275062 CIN : U51505MH2009PLC196683
Email: contact@artemislighting.com Website: www.artemislighting.com

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIB'S AND ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS

ARTEMIS To,
The Board of Directors
ARTEMIS ELECTRICALS LIMITED

BOOK BUILT SME ISSUE
ISIN - INE757T01017

Application Form No.

<p>SYNDICATE MEMBER'S STAMP & CODE</p> <p>SUB-BROKER'S / SUB-AGENT'S STAMP & CODE</p> <p>BANK BRANCH SERIAL NO.</p>	<p>BROKER'S / SCSB / DP / RTA STAMP & CODE</p> <p>ESCROW BANK / SCSB BRANCH STAMP & CODE</p> <p>SCSB SERIAL NO.</p>	<p>1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT</p> <p>Mr. / Ms. Age </p> <p>Address </p> <p>E mail </p> <p>Tel. No (with STD code) / Mobile </p> <p>2. PAN OF SOLE/FIRST APPLICANT</p> <p></p>
<p>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID</p>		<p>6. INVESTOR-STATUS</p> <p><input type="checkbox"/> Individual(s) - IND</p> <p><input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis) - NRI</p> <p><input type="checkbox"/> Hindu Undivided Family* - HUF</p> <p><input type="checkbox"/> Bodies Corporate - CO</p> <p><input type="checkbox"/> Banks & Financial Institutions - FI</p> <p><input type="checkbox"/> Mutual Funds - MF</p> <p><input type="checkbox"/> National Investment Funds - NIF</p> <p><input type="checkbox"/> Insurance Funds - IF</p> <p><input type="checkbox"/> Insurance Companies - IC</p> <p><input type="checkbox"/> Venture Capital Funds - VCF</p> <p><input type="checkbox"/> Alternative Investment Funds - AIF</p> <p><input type="checkbox"/> Others (Please Specify) - OTH</p> <p><small>*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)</small></p>
<p>4. APPLICATION DETAILS</p> <p>No. of Equity Shares of Rs.10/- each applied at the Issue Price i.e. at Rs. per share ^{1 & 2}</p> <p>(In Figures) (In Words) </p> <p><small>1 Please note that applications must be made in minimum of shares and further multiples of shares accordingly. 2 Please note that the trading of equity shares will be only in dematerialised mode on the NSE Emerge Platform.</small></p>		
<p>5. CATEGORY</p> <p><input type="checkbox"/> Retail Individual</p> <p><input type="checkbox"/> Non-Institutional</p> <p><input type="checkbox"/> QIB</p>		
<p>7. PAYMENT DETAILS</p> <p>Amount Blocked (₹ in Figures) (₹ in Words) </p> <p>ASBA Bank A/c No. </p> <p>Bank Name & Branch </p>		
<p><small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.</small></p>		
<p>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</p> <p></p> <p>Date: , 2018</p>	<p>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (s) (AS PER BANK RECORDS)</p> <p><small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue</small></p> <p>1) </p> <p>2) </p> <p>3) </p>	<p>BROKERS / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</p>

ARTEMIS **ARTEMIS ELECTRICALS LIMITED- INITIAL PUBLIC ISSUE-R**

DPID / CLID

Received from Mr./Ms.

Address

Telephone/Mobile E-mail

Acknowledgment Slip for Broker / SCSB / DP / RTA

PAN

Application Form No.

<p>ARTEMIS ELECTRICALS LIMITED- INITIAL PUBLIC ISSUE-R</p> <p>No. of Equity Shares </p> <p>Amount Blocked (₹) </p> <p>ASBA Bank A/c No.: </p> <p>Bank & Branch: </p>	<p>No. of Equity Shares applied for</p> <p>in Figures </p> <p>in Words </p> <p>Amount Blocked (₹ in figures) </p> <p>ASBA Bank A/c No. </p> <p>Name of Bank & Branch </p> <p>SCSB Branch Stamp & Signature</p> <p></p>
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ARTEMIS ELECTRICALS LIMITED- INITIAL PUBLIC ISSUE-R

No. of Equity Shares

Amount Blocked (₹)

ASBA Bank A/c No.:

Bank & Branch:

Acknowledgment Slip for Applicant

Name of Sole/ First Applicant

Application Form No.

NR Bid cum Application Form

COMMON
APPLICATION
FORM

ARTEMIS ELECTRICALS LIMITED - INITIAL PUBLIC ISSUE-NR

Registered Office: Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East),
Thane - 401208 Tel: +91 - 22 - 29275032 Fax: +91 - 22 - 29275062 CIN : U51505MH2009PLC196683
Email: contact@artemislighting.com Website: www.artemislighting.com

FOR NON-RESIDENTS, INCLUDING
ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC
APPLYING ON A REPATRIATION BASIS



To,
The Board of Directors
ARTEMIS ELECTRICALS LIMITED

BOOK BUILT SME ISSUE

ISIN - INE757T01017

Application
Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/ SCSB/ DP/ RTA STAMP & CODE
SUB-BROKER'S/ SUB-AGENT'S STAMP & CODE	ESCROW BANK/ SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT	
Mr. / Ms.	Age
Address	
E mail	
Tel. No (with STD code) / Mobile	
2. PAN OF SOLE/FIRST APPLICANT	

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR-STATUS
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID		<input type="checkbox"/> Non-Resident Indians (Repatriation basis) NRI <input type="checkbox"/> FII or Sub Account not a Corporate / Foreign Individual FII <input type="checkbox"/> FII Sub Account Corporate/ Individual FII SA <input type="checkbox"/> Foreign Venture Capital Investor FVCI <input type="checkbox"/> Foreign Portfolio Investors FPI <input type="checkbox"/> Others (Please Specify) OTH
4. APPLICATION DETAILS		5. CATEGORY
No. of Equity Shares of Rs.10/- each applied at the Issue Price i.e. at Rs. per share ^{1&2}		<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
(In Figures)	(In Words)	
1 Please note that applications must be made in minimum of shares and further multiples of shares accordingly. 2 Please note that the trading of equity shares will be only in dematerialised mode on the NSE Emerge Platform.		

7. PAYMENT DETAILS		PAYMENT OPTION : Full Payment
Amount Blocked (₹ in Figures)		(₹ in Words)
ASBA Bank A/c No.		
Bank Name & Branch		

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF.
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (s) (AS PER BANK RECORDS)	BROKERS / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date:, 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) 2) 3)	

TEAR HERE

ARTEMIS ELECTRICALS LIMITED- INITIAL PUBLIC ISSUE -NR	Acknowledgment Slip for Broker /SCSB/DP/RTA	Application Form No.
DPID / CLID	PAN	
Received from Mr./Ms.	No. of Equity Shares applied for	SCSB Branch Stamp & Signature
Address	in Figures	
Telephone/Mobile	in Words	
E-mail	Amount Blocked (₹ in figures)	
	ASBA Bank A/c No.	Name of Bank & Branch

TEAR HERE

ARTEMIS ELECTRICALS LIMITED- INITIAL PUBLIC ISSUE -NR	No. of Equity Shares	In Figures	In Words	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole/ First Applicant
	Amount Blocked (₹)				
	ASBA Bank A/c No.:				
	Bank & Branch:				
					Acknowledgment Slip for Applicant
					Application Form No.

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders/Applicants 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/Applicants 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/Applicant 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/Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant 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/Applicant:** 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/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER

- (a) PAN (of the sole/first Bidder/Applicant) 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/Applicants residing in Sikkim ("PAN Exempted

Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders/Applicants 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/Applicants 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 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidder/Applicant 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/Applicant should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidder/Applicant should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant 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/Applicants 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’/Applicants sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and discount (if applicable) may be disclosed in the DRHP 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/Applicants 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 Issue 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 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/Applicants may refer to the DRHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder/Applicant 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/Applicant does not exceed Rs. 2,00,000.
- (b) In case the Bid amount exceeds Rs. 2,00,000 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. 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 2,00,000 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. 2,00,000 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/Issue Closing date. QIBs and NIIs 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 all 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/Issue 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 Investor 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/Applicant including QIB Bidder should not exceed the Investment limits prescribed for them under the applicable laws.
- II) The Price and quantity options submitted by the Bidder/Applicant in the Bid cum application form may be treated as Optional Bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the number of Equity Shares bid for by a Bidder/Applicant 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/Applicant should submit only one Bid cum Application Form. Bidder/Applicant 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 another member of the syndicate, SCSB or registered broker and duplicate copies of Bid cum Application forms during the same Application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders/Applicants 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/Applicants 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 of behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application forms may be checked for 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 Issue 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 number, Client Ids and DP Ids.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS

- (a) The categories of Bidders/Applicants 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/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants 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/Applicants 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 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant 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 Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the Draft Red Herring Prospectus for more details.
- (c) Bidders/Applicants 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/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- i. The full Bid amount (net of any discount, as applicable) shall be blocked in the ASBA account based on the authorization 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 RHP indicates that part payment may be made, such an Option can be exercised by the Bidder/Applicant. In case of Bidders/Applicants 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 offer, if any.
- ii. Bid amount cannot be paid in cash, through money order or through postal order or through stock invest.
- iii. Bidders/Applicants who bid at Cut-Off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- iv. All Bidders/Applicants can participate in the Issue only through the ASBA mechanism.
- v. 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/Applicants

- a) Bidders/Applicants 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) Bidder/Applicant should specify the Bank Account number in the Bid cum Application Form. The Bid cum Application form submitted by Bidder/Applicant 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/Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder/Applicant is not the ASBA Account holder;
- d) Bidders/Applicants shall note that 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/Applicants 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 Centre, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- g) Bidders/Applicants 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/Applicants 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 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 ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Bid cum Application 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 subsequent 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 applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Bid is liable to be rejected.
- o) The Bid amount may remain blocked in the aforesaid ASBA account until finalization on the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

- p) 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. FIELD NUMBER 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 ASBA Bid 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 Application Amount in the relevant ASBA Account within 6 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/Applicants, 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/Applicants applying under RII category, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts issued in the Issue, bidders may refer to the Red Herring Prospectus/Prospectus.
- (c) The Bidders/Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application/Bid Amount less Discount (if applicable).

Bidder/Applicant 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 not for under RII Category.

4.1.8.2. Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds in their 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. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form. Bidders/Applicants 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/Applicant, 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 authorization 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/Applicants must note that Bid cum Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders/Applicants should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediaries, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds; the Bidders/Applicants should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
 - 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/Applicants should contact the relevant Registered Broker.
 - vi. In case of bids submitted to the RTA, the Bidder/Applicant should contact the relevant RTA.
 - vii. In case of bids submitted to the DP, the Bidder/Applicant 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/Applicant, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application and ASBA Account Number and Name.
 - ii. Name and address of the Designated Intermediary, where the Bid was submitted; or


For further details, Bidder/Applicant 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/Issue Period, any Bidder/Applicant (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/Issue period.

- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the SCSB through which such Bidder/Applicant had placed the original Bid.

A sample Revision form is reproduced below:-

 To, The Board of Directors ARTEMIS ELECTRICALS LIMITED	BOOK BUILT SME ISSUE	Application Form No.
	ISIN - INE757T01017	

TEAR HEREPLEASE FILL IN BLOCK LETTERS -PLEASE FILL IN BLOCK LETTERS -PLEASE FILL IN BLOCK LETTERS -PLEASE FILL IN BLOCK LETTERS -PLEASE FILL IN BLOCK LETTERS -PLEASE FILL IN BLOCK LETTERS -PLEASE FILL IN BLOCK LETTERS -

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.2.1. FIELD NUMBER 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT.

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. FIELD NUMBER 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder/Applicant must also mention the details of shares bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if the Bidder/Applicant has bid for three options in the Bid cum Application form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant 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/Applicants 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/Applicants should ensure that the bid amount, subsequent to revision, does not exceed Rs. 2,00,000. In case the Bid amount exceeds Rs. 2,00,000 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 the 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 bidding may be unblocked in case of Bidders/Applicants.

4.2.3. FIELD NUMBER 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to make payment of the full Bid amount (less discount, if applicable) along with the Bid Revision Form. In case of Bidders/Applicants 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/Applicant may Issue instructions to block the revised amount based on cap of the revised price band adjusted for discount (if applicable) in the ASBA Account, to Designated Branch through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid amount.
- (c) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 2, 00,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder/Applicant 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 additional payment would be

required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIIs and Bids by 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 bidding may be unblocked.

4.2.4. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants 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/Applicants 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 Draft Red Herring Prospectus/ Bid cum Application Form

Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidders/Applicants 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 finalized 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

- During the Bid/Issue Period, Bidders/Applicants 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 Book Running Lead Manager, to register their Bid.**
- In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).**
- For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the DRHP.**

6.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. 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 Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for Allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) 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/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges" on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/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:
 - 1) The Bids accepted by the Designated Intermediaries,
 - 2) The Bids uploaded by the Designated Intermediaries, and
 - 3) The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs 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/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs 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 and the DRHP and as per the instructions in the DRHP 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 Exchanges; 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/APPLICANTS 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 EXCHANGES 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/Applicants 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 DRHP. For details in relation to allocation, the Bidder/Applicant may refer to the DRHP.

- 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 BRLMs 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/Applicants may refer to the DRHP.
- d) Illustration of the Book Building and Price Discovery Process

Bidders/Applicants 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/Applicants 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/Applicants, 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.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
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 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 BRLMs, may finalize 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/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants 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 Issue (excluding any offer for Sale of specified securities). However, in case the Issue is in the nature of offer for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT

The Allotment will be made in consultation with the SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders/Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders/Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- Each successful Bidder/Applicant shall be allotted [●] equity shares; and
 - The successful Bidder/Applicant out of the Total Bidders/Applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder/Applicant works out to a number that is not a multiple of [●] equity shares, the Bidder/Applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders/Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this DRHP.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders/Applicants as described below:
- i. As per Regulation 43 (4) of SEBI (ICDR), 2009 as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. The balance net issue of shares to the public shall be made available for allotment to
 - individual bidders/applicants other than retails individual investors and
 - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
 - iii. The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs.2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE Limited.

The Executive Director/ Managing Director of BSE Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to

ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

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/Applicants 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/Applicants 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/Applicants 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 Bidders/Applicants 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 Exchanges are taken within 6 Working Days of the 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 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(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges 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 finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the DRHP/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 Prospectus.

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 issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 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/Applications 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 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.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Bidders/Applicants.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted.

Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders/Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA/Application Supported by Blocked	An application, whether physical or electronic, used by Bidders/Applicants, to make a Bid authorizing an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
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 form	An application form, whether physical or electronic, used by Bidders/Applicants Which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
Banker(s) to the Issue	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 ICICI bank Limited.
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 342 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder/Applicant 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 there to 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/Applicants Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder/Applicant and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder/Applicant or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors ,to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the 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 [●] and [●] edition of the Hindi national 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 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 [●] and [●] edition of the Hindi national 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.
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
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 Managers or BRLMs	The book running lead managers to the Issue namely Holani Consultants Private Limited
Broker Centers	Broker centers notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of BSE Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder/Applicant 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 finalized and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, which shall be any price within the Price Band finalized by our Company in consultation with the BRLMs. Only Retail Individual Bidders/Applicants are entitled to Bid at the Cut- off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
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
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (except Anchor Investor) and a list of which is available on

		http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations		Such locations of the CDPs where Bidders/Applicants can submit the Bid cum Application Forms to Collecting Depository Participants. 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 respective websites of the Stock Exchanges (www.bseindia.com)
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/Applicants in the Fresh Issue.
Designated Intermediary(ies)		Syndicate, Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders/Applicants, In relation to the Issue.
Designated RTA Locations		Such centers of the RTAs where Bidder/Applicant can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTA are available on the respective websites of the Stock Exchange (www.bseindia.com) and updated from time to time.
Designated Stock Exchange		The designated stock exchange as disclosed in the Draft Red herring prospectus/ Prospectus of the issuer.
Designated CDP Locations		Such centers of the CDPs where Bidders/Applicants 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 (www.bseindia.com) and updated from time to time.
Discount		Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI (ICDR) Regulations, 2009.
Draft Red Herring Prospectus or DRHP		This Draft Red Herring Prospectus dated September 22 nd , 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Employees		Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoters and immediate relatives of the Promoters. For further details, Bidder may refer to DRHP
Equity Shares		Equity Shares of the Issuer
FCNR Account		Foreign Currency Non-Resident Account
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
FII(s)		Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Floor Price		The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalized and below which no Bids
FPIs		Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
Issue	The Initial Public Issue of up to [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] each, aggregating up to Rs. [●]
Issue Price	The price at which the Equity Shares will be allotted in terms of the Draft 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 Draft Red Herring Prospectus.
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP / RHP / Prospectus and the Bid cum Application Form
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 and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	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. The Price Band and the minimum Bid Lot size for the Issue will be

	decided by our Company in consultation with the BRLMs 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 Marathi newspaper [●], each with wide circulation.
Pricing date	The date on which our Company in consultation with the BRLMs, will finalize 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, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited 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.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
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 issued 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 ICICI Bank Limited.
Refund through electronic transfer of	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Cameo Corporate Services Ltd, Subramanian building, 1 Club house Road, Chennai 600002, India
Reserved Category /Categories	Categories of persons eligible for making Bids under reservation portion.
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
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SCSB/ Self Certified	Shall mean a Banker to an Issue registered under SEBI (Bankers to an

Syndicate Banker	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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Specified Locations	Bidding centers 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
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated [●] entered into amongst the BRLMs, the Syndicate Members and our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriter	The Book Running Lead Manager (s) and Syndicate Member (s)
Underwriting Agreement	The agreement dated [●] entered into between the Underwriter and our Company
Working Day	All days other than 2nd & 4th Saturday of the month, Sunday or a public holiday on which commercial banks in Mumbai are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular. The Government has also enacted Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 in suppression of Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000.

INVESTMENT BY FOREIGN PORTFOLIO INVESTORS (FPIs)/ FOREIGN INSTITUTIONAL INVESTOR (FIIs)

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the paid-up equity capital of the Indian Company and subject to the total cap of all FPIs put together being 24% of the paid-up equity capital of the Indian company. 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.

As per Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, any FII or a sub account registered under the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and holding a valid certificate of registration from SEBI shall be deemed to be FPI till the expiry of the block of three years from the enactment of the Securities Exchange Board of India (FPI) Regulations, 2014.

SUBSCRIPTION BY NON-RESIDENT INDIANS (NRI) OR OVERSEAS CITIZEN OF INDIA (OCI) ON REPATRIATION BASIS

A NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorized dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the company.

INVESTMENT BY NRI OR OCI ON NON-REPATRIATION BASIS

As per Schedule 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, purchase by a NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/ OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/ OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a Nidhi company or a company engaged in agricultural/ plantation activities or real estate business or construction of farm houses or dealing in transfer of development rights.

Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and/ or subsequent purchase or sale transaction in the Equity Shares of Our Company. No person shall make a application/bid in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

As per the existing policy of the Government of India, OCBs cannot participate in any Public Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants/Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications/Bids are not in violation of laws or regulations applicable to them.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares or debentures and / or on their consolidation / splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our articles and capitalized / defined terms herein have the same meaning given to them in our Articles.

Sr.No.	Particulars	
1.	(1)The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	Table ‘F’ not to apply
	(2)The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	Company to be governed by these Articles
	Interpretation	
2.	(1)In these Articles— (a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.	Act
	(b) “Articles” means these articles of association of the Company or as altered from time to time.	Articles
	(c) “Board of Directors” or “Board”, means collective body of the directors of the Company.	Board of Directors or Board
	(d) “Company” means Artemis Electricals Limited.	Company
	(e) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	Rules
	(f) “Seal” means the common seal of the Company.	Seal
	(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	Number and Gender
	(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case maybe.	Expressions in the Articles to bear the same meaning as in the Act
	SHARE CAPITAL AND VARIATION OF RIGHTS	
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or	Directors may allot Shares otherwise than for cash

	assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case maybe	
5.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (i)Equity share capital: with voting rights; and /or with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (ii)Preference share capital	Kinds of Share Capital
6.	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide- (a)One certificate for all his shares without payment of any charges; or (b)Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.	Issue of certificate
	(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.	Certificate to bear seal
	(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	One certificate for shares held jointly
7.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	Option to receive share certificate or hold shares with depository
8.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	Issue of new certificate in place of one defaced, lost or destroyed
9.	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.

10.	(1)the company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11.	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class(unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of members' rights
	(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	Provisions as to general meetings to apply mutatis mutandis to each meeting
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu there with.	Issue of further shares not to affect rights of existing members
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares
14.	(1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a)persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; or (b)employees under any scheme of employees' stock option; or (c)any persons, whether or not those persons include the persons referred to in clause(A) or clause(B) above.	Further issue of share capital
	(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.	Mode of further issue of shares
	LIEN	
15.	(1) The Company shall have a first and paramount lien - (a)on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time,in respect of that share; and (b)on all shares (not being fully paid shares) standing	Company's lien on shares

	registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.	
	(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.	Lien to extend to dividends, etc.
	(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.	Waiver of lien in case of registration
16.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled there to by reason of his death or insolvency or otherwise.	As to enforcing lien by sale
17.	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.	Purchaser to be registered holder
	(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's receipt
	(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	Purchaser not affected
18.	(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of residual money
19.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to affect Company's lien
20.	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including	Provisions as to lien to apply mutatis mutandis

	debentures of the Company.	to debentures, etc.
	CALLS ON SHARES	
21.	(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	Board may make calls
	(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend time for payment
	(4) A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
22.	A call shall be deemed to have been made at the time when there solution of the Board authorizing the call was passed and may be required to be paid by installments.	Call to take effect from date of resolution
23.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
24.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	When interest on call or installment payable
	(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
25.	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	
	(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
26.	The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate In profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.	Payment in anticipation of calls may carry interest
27.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered	Installments on shares to be duly paid

	holder of the share or the legal representative of a deceased registered holder.	
28.	All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	Calls on shares of same class to be on uniform basis
29.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	Partial payment not to preclude forfeiture
30.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to calls to apply mutatis mutandis to debentures, etc.
	TRANSFER OF SHARES	
31.	(1)The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	Instrument of transfer to be executed by transfer and transferee
32.	The Board may, subject to the right of appeal conferred by the Act decline to register– (a)the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b)any transfer of shares on which the Company has a lien.	Board may refuse to register transfer
33.	In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless– (a)the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; (b)the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transfer or to make the transfer; and (c)the instrument of transfer is in respect of only one class of shares.	Board may decline to recognize instrument of transfer
34.	On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.	Transfer of shares when suspended
35.	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.
	TRANSMISSION OF SHARES	
36.	(1)On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole	Title to shares on death of a member

	holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.	
	2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Estate of deceased member liable
37.	(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either- (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.	Transmission Clause
	(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	Board's right unaffected
	(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity to the Company
38.	(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.	Right to election of holder of share
	(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	Manner of testifying election
	(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	Limitations applicable to notice
39.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	Claimant to be entitled to same advantage
40.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to transmission to apply mutatis mutandis to debentures, etc.
	FORFEITURE OF SHARES	

41.	If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	If call or installment not paid notice must be given
42.	The notice a fore said shall: (a)name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b)state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Form of notice
43.	If the requirements of any such notice as a fore said are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeited
44.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
45.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date there of, shall forth with be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as a foresaid.	Entry of forfeiture in register of members
46.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
47.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc
	(2) At any time before a sale, re-allotment or disposal as a foresaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture

48.	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
	(2) All such monies payable shall be paid together with interest there on at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
	(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	Cesser of liability
49.	(1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
	(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;	Title of purchaser and transferee of forfeited shares
	(3) The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
	(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	Transferee not affected
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of sales
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
52.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates

53.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
54.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.
	ALTERATION OF CAPITAL	
55.	Subject to the provisions of the Act, the Company may, by ordinary resolution— (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	Power to alter share capital
56.	Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;	Shares may be converted into stock
	(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;	Right of stockholders
	(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.	
57.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules,— (a) its share capital; and /or (b) any capital redemption reserve account; and/or	Reduction of capital

	(c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	
	JOINT HOLDERS	
58.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	Joint-holders
	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.	Liability of Joint- holders
	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	Death of one or more joint-holders
	(c) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	Receipt of one sufficient
	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	Delivery of certificate and giving of notice to first named holder
	(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled there to and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.	Vote of joint- holders
	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	Executors or administrators as joint holders
	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.
	CAPITALISATION OF PROFITS	
59.	(1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the	Capitalization

	members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	
	(2) The sum a fore said shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards: (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).	Sum how applied
	(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	
	(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
60	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall— (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto.	Powers Board for capitalization
	(2) The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and	Board's power to issue fractional certificate/coupon etc.
	(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.	
	(3) Any agreement made under such authority shall be effective and binding on such members.	Agreement binding on members
	BUY-BACK OF SHARES	
61.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
	GENERAL MEETINGS	
62.	All general meetings other than annual general meeting shall be called extraordinary general meeting.	Extraordinary general meeting

63.	The Board may, whenever it thinks fit, call an extraordinary general meeting.	Powers of Board to call extraordinary general meeting
	PROCEEDINGS AT GENERAL MEETINGS	
64.	(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	Presence of Quorum
	(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
	(3) The quorum for a general meeting shall be as provided in the Act.	Quorum for general meeting
65.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	Chairperson of the meetings
66.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	Directors to elect a Chairperson
67.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting	Members to elect a Chairperson
68.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
69.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot
	(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting- (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	Certain matters not to be included in Minutes
	(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of Chairperson in relation to Minutes
	(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be evidence
70.	(1) The books containing the minutes of the proceedings of any general meeting of the Company or any resolution passed by postal ballot shall: be kept at the registered office of the Company; and be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.	Inspection of minute books of general meeting

	(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	Members may obtain copy of minutes
71.	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	Powers to arrange security at meetings
	ADJOURNMENT OF MEETING	
72.	(1) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place.	Chairperson may adjourn the meeting
	(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Business at adjourned meeting
	(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	Notice of adjourned meeting
	(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Notice of adjourned meeting not required
	VOTING RIGHTS	
73.	Subject to any rights or restrictions for the time being attached to any class or classes of shares - on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.	Entitlement to vote on show of hands and on poll
74.	(1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	Vote of joint- holders
	(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Seniority of names
75.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members non compos mentis and minor may vote

76.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members, etc.
77.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
78.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
79.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
80.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
	PROXY	
81.	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
	(2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.	Proxies when to be deposited
82.	An instrument appointing a proxy shall be in the form as prescribed in the Rules.	Form of proxy
83.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or death of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Proxy to be valid notwithstanding of the principal
	BOARD OF DIRECTORS	
84.	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).	Board of Directors

85.	(1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	Directors not liable to retire by rotation
	(2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Same individual maybe Chairperson and Managing Director /Chief Executive Officer
86.	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors
	(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	Remuneration to require members' consent
	(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee there of or general meetings of the Company; or (b) in connection with the business of the Company.	Travelling and other expenses
87.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.	Execution of negotiable instruments
88.	(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	Appointment of additional directors
	(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	Duration of office of additional director
89.	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of alternate director
	(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of alternate director
	(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provisions applicable to Original Director
90.	(1) If the office of any director appointed by the Company	Appointment of director

	in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.	to fill a casual vacancy
	(2) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.	Duration of office of Director appointed to fill casual vacancy
	POWERS OF BOARD	
91.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	General powers of the Company vested in Board
	PROCEEDINGS OF THE BOARD	
92.	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	When meeting to be convened
	(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	Who may summon Board meeting
	(3) The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
	(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Board meetings
93.	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
94.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
95.	(1) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at the meetings of the Board
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.	Directors to elect a Chairperson

96.	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	Delegation of powers
	(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to Board Regulations
	(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Committee meetings
97.	(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of Committee
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Who to preside at meetings of Committee
98.	(1) A Committee may meet and adjourn as it thinks fit.	Committee to meet
	(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	Questions at Committee meeting how decided
	(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	Casting vote of Chairperson at Committee meeting
99.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee valid notwithstanding defect of appointment
100.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Passing of resolution by circulation
	CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER	
101.	(a) Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.	Chief Executive Officer, etc.
	(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	Director may be chief executive officer, etc.
	REGISTERS	

102.	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	Statutory registers
103.	(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register, if any; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	Foreign register
	(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.	
	THE SEAL	
104.	(1)The Board shall provide for the safe custody of the seal. (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	The seal, its custody and use Affixation of seal
	DIVIDENDS AND RESERVE	
105.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Company in general meeting may declare dividends
106.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	Interim dividends
107.	(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.	Dividends only to be paid out of profits

	(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Carry forward of profits
108.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	Division of profits
	(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in advance
	(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.	Dividends to be apportioned
109.	(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from
	(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	Retention of dividends
110.	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	Dividend how remitted
	(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
	(3) Payment in any way what so ever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	Discharge to Company
111.	Anyone of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient
112.	No dividend shall bear interest against the Company.	No interest on dividends
113.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company	Waiver of dividends

	and if or to the extent that the same is accepted as such or acted upon by the Board.	
	ACCOUNTS	
114.	(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	Inspection by Directors
	(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board.	Restriction on inspection by members
	WINDING UP	
115.	Subject to the applicable provisions of the Act and the Rules made there under - (1) 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. (2) 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. (3) 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.	Winding up of Company
	INDEMNITY AND INSURANCE	
116.	(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.	Directors and officers right to indemnity
	(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.	
	(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	Insurance

	GENERAL POWER	
117.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	General power

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 to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft 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 Registered Office of our Company located at Artemis Complex, Gala No. 105 & 108, National Express Highway, Vasai (East), Thane – 401208 from date of filing the Draft Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 A.M. to 5.00 P.M.

Material Contracts

1. Issue Agreement dated [●] between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated [●] between our Company and Cameo Corporate Services Limited, Registrar to the Issue.
3. Underwriting Agreement dated [●] between our Company and Underwriters viz. BRLMs.
4. Market Making Agreement dated [●] between our Company, Market Maker and the BRLMs.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the BRLMs, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated December 07th, 2015
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated November 18th, 2015.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated June 26th, 2018 in relation to the Issue and other related matters.
3. Shareholder's resolution passed at the Annual General meeting dated August 18th, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated March 09th, 2018 issued by our Peer Reviewed Auditor, M/s. Mittal Agarwal & Company., Chartered Accountants.
5. Report of the Peer Reviewed Auditor, M/s. Mittal Agarwal & Company., Chartered Accountants, dated May 28th, 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 Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager to the Issue, Registrar to the Issue, Underwriter of the Issue, Lenders to the company, Market Maker, Bankers to the Issue, Refund Banker to the Issue and Syndicate Member(s) to act in their respective capacities.
7. Copy of In – Principal approval from SME platform of BSE Limited vide letter dated [●], to use its name in this Issue document for listing of Equity Shares on SME Platform of BSE Limited.
8. Copy of agreement dated May 18th, 2018 and supplementary agreement dated June 01st, 2018 for appointment and remuneration of our Whole Time Director, Chandrahas Narayan Shetty.

9. Copy of Audited Financials for the Financial year ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.

10. Copy of Board resolution for authorizing Mr. Vijay Shinde of Yashvikram Infrastructure Private Limited (acting as a Promoter of the Issuer Company) to sign the Issue Document on the behalf of the company.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and the 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

Name and Designation	Signature
Pravin Kumar Brijendra Kumar Agrawal <i>Director</i>	SD/-
Chandrabhas Narayan Shetty <i>Director</i>	SD/-
Ramniranjan Bhutra <i>Director</i>	SD/-
Krishnakumar Laxman Bangera <i>Independent Director</i>	SD/-
Richa Sharma <i>Independent Director</i>	SD/-

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company.

Shivkumar Channgur Singh
Chief Financial Officer

Alheena Khan
Company Secretary and Compliance Officer

Place: Mumbai

Date:

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY HOLANI CONSULTANTS PRIVATE LIMITED

S.No	Issue Name	Issue Size (Rs. In Lacs.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change inclosing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	E2E Networks Limited	2199.06	57	May 15, 2018	85/-	33.24% [-10.64%]	52.63% [2.35%]	N.A.
2.	Lagham Spintex Limited	2460.00	41	Sep 18, 2018 tentative	41/-	[•]	[•]	[•]

Note: 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. However, since only one issue had been handled earlier by Holani Consultants Private Limited, the same has been mentioned.

SUMMARY STATEMENT OF DISCLOSURE OF HOLANI CONSULTANTS PRIVATE LIMITED

Financial Year	Total No. of IPO	Issue Size (Cr)	No. of IPOs trading at discount on 30 th calendar day from listing date			No. of IPOs trading at premium on 30 th calendar day from listing date			No. of IPOs trading at discount on 180 th calendar day from listing date			No. of IPOs trading at premium on 180 th calendar day from listing date		
			Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %
2017-18	2*	4659.06	Nil	Nil	Nil	Nil	1*	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*The script of Lagham Spintex Ltd was listed on September 18th, 2018 and the prices at 30th and 180th day are not available till date.

**The script of E2E Networks Ltd was listed on May 15th, 2018 and the prices at 180th day are not available till date.