



**AARTECH SOLONICS LIMITED**

Our Company was originally incorporated as “Aartech Solonics Private Limited” on August, 24<sup>th</sup>, 1982 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gwalior, Madhya Pradesh. Later on, company was converted into public limited company, the name of our Company was changed to —“Aartech Solonics Limited” and fresh Certificate of Incorporation dated April 23rd, 1992 was issued by the Registrar of Companies, Gwalior, Madhya Pradesh. For details of Conversion of Company, please refer to section titled “History and Certain Corporate Matters” beginning on page no. 106 of this Draft Prospectus.

CIN: U31200MP1982PLC002030

**Registered office:** E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016

**Tel No.:-** +91 – 755 –2463593; **Website:** <http://www.aartechsolonics.com/>; **E-Mail:** [compliance@artechsolonics.com](mailto:compliance@artechsolonics.com)

**Company Secretary and Compliance Officer:** Mr. K.R. Tanuj Reddy

**PROMOTERS OF THE COMPANY:**

**MR. ANIL ANANT RAJE & MRS. CHHAYA RAJE**

**THE ISSUE**

**PUBLIC ISSUE OF 21,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH OF AARTECH SOLONICS LIMITED (“ASL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF Rs. 34 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 24 PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO RS. 720.80 LAKH (“THE ISSUE”), OF WHICH 1,08,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF Rs. 34 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 24 PER EQUITY SHARE AGGREGATING TO RS. 36.72 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 20,12,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH AT A PRICE OF RS. 34 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 24 PER EQUITY SHARE AGGREGATING TO RS. 684.08 LAKH IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.03% AND 28.50% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details see “Terms of the Issue” beginning on page no. 208 of this Draft Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled “Issue Procedure” beginning on page no. 214 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS 3.4 TIMES OF THE FACE VALUE.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is Rs. 10 per Equity Shares and the Issue price is 3.4 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no. 72 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 9 of this Draft Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through the Draft Prospectus are proposed to be listed on BSE SME Platform of BSE Limited (“BSE SME”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received in principle approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (“BSE”).

**LEAD MANAGER**

**REGISTRAR TO THE ISSUE**



**SWASTIKA INVESTMART LIMITED**

**SEBI Registration Number:** INM000012102

**Address:** Flat No.18, 2nd Floor, North Wing, Madhaveshwar Co-op- Hsg Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai– 400058.

**Tel No.:** +91- 22-26254568-69; **Fax No:** +91-731-664 4300

**Email Id:** [merchantbanking@swastika.co.in](mailto:merchantbanking@swastika.co.in)

**Investors Grievance Id:** [investorgrievance@swastika.co.in](mailto:investorgrievance@swastika.co.in)

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

**Contact Person:** CS Mohit R. Goyal

**CIN:** L65910MH1992PLC067052



**BIGSHARE SERVICES PRIVATE LIMITED**

**SEBI Registration No:** INR000001385

**Address:** 1<sup>st</sup> Floor, Bharat Tin Work Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059.

**Tel:** +91 – 22626 38200 Fax: +91 – 22626 38299

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

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

**Contact Person:** Mr. Babu Rapheal

**CIN:** U99999MH1994PTC076534

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

## TABLE OF CONTENTS

CONTENTS	PAGE NO.
<b>SECTION I – GENERAL</b>	
DEFINITIONS AND ABBREVIATIONS	1
COMPANY RELATED TERMS	1
ISSUE RELATED TERMS	1
TECHNICAL AND INDUSTRY RELATED TERM	3
CONVENTIONAL AND GENERAL TERMS /ABBREVIATIONS	3
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	7
FORWARD LOOKING STATEMENTS	8
<b>SECTION II – RISK FACTOR</b>	<b>9</b>
<b>SECTION III – INTRODUCTION</b>	
SUMMARY OF OUR INDUSTRY OVERVIEW	21
SUMMARY OF BUSINESS OVERVIEW	23
SUMMARY OF OUR FINANCIAL INFORMATION	25
THE ISSUE	33
GENERAL INFORMATION	34
CAPITAL STRUCTURE	39
<b>SECTION IV – PARTICULARS OF THE ISSUE</b>	
OBJECTS OF THE ISSUE	67
BASIS FOR ISSUE PRICE	72
STATEMENT OF POSSIBLE TAX BENEFITS	74
<b>SECTION V – ABOUT US</b>	
INDUSTRY OVERVIEW	76
BUSINESS OVERVIEW	82
KEY INDUSTRY REGULATIONS AND POLICIES	98
HISTORY AND CERTAIN CORPORATE MATTERS	106
OUR MANAGEMENT	109
OUR PROMOTERS AND PROMOTER GROUP	120
FINANCIAL INFORMATION OF OUR GROUP COMPANIES	124
RELATED PARY TRANSACTIONS	128
DIVIDEND POLICY	129
<b>SECTION VI – FINANCIAL INFORMATION</b>	
AUDITORS REPORT AND FINANCIAL INFORMATION OF OUR COMPANY	130
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	182
<b>SECTION VII – LEGAL AND OTHER INFORMATION</b>	
OUTSTANDINGS LITIGATIONS AND MATERIAL DEVELOPMENTS	190
GOVERNMENT AND OTHER STATUTORY APPROVALS	193
OTHER REGULATORY AND STATUTORY DISCLOSURES	197
<b>SECTION VIII – ISSUE RELATED INFORMATION</b>	
TERMS OF ISSUE	208
ISSUE STRUCTURE	212
ISSUE PROCEDURE	214
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	230
<b>SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION</b>	
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	231
<b>SECTION X – OTHER INFORMATION</b>	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	242
<b>SECTION XI – DECLARATION</b>	243

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Term	Description
“ASL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Aartech Solonics Limited, a public limited company registered under the Companies Act, 1956 and having its Registered Office at E-2/57, Ashirvad, Arera Colony, Bhopal MP- 462016.
Our Individual Promoters	Mr. Anil Anant Rajee & Mrs. Chhaya Rajee
Our Promoters	Our Promoters includes our Individual Promoters.
Promoter Group	Companies, individuals and entities as defined under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company
Auditors	The Statutory auditors of our Company, being Spark & Associates, Chartered Accountant
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Aartech Solonics Limited unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof
ED	Executive Director
Indian GAAP	Generally Accepted Accounting Principles in India
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 108 of this Draft Prospectus.
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Non Residents	A person resident outside India, as defined under FEMA
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000.
Peer Review Auditor	The Peer Review auditors of our Company, being Baheti & Co., Chartered Accountants.
Registered Office	The Registered office of our Company, located at E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016.
ROC / Registrar of Companies	Registrar of Companies, Gwalior (M.P.).
WTD	Whole-Time Director

### ISSUE RELATED TERMS

Terms	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by

Terms	Description
	ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section “Issue Procedure - Basis of allotment” on page no. 214 of this Draft Prospectus
Bankers to our Company	[●]
Bankers to the Issue	[●]
Basis of Allotment	The basis on which the equity shares will be allotted to successful Bidders under the issue, described in “Issue procedure” on page no. 214.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Draft Prospectus	Draft prospectus dated 10 <sup>th</sup> , September, 2018 issued in accordance with Section 23, 26 & 32 of the Companies Act, 2013.
Eligible NRI	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 Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Engagement Letter	The engagement letter dated 30 <sup>th</sup> , August, 2018 between our Company and the LM.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
IPO	Initial Public Offering.
Issue / Issue Size / Public Issue	The Public Issue of 21,20,000 Equity Shares of Rs. 10/- each at 34/- per Equity Share including share premium of Rs. 24/- per Equity Share aggregating to Rs. 720.80 Lacs by Aartech Solonics Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Prospectus, being Rs. 34/-.
LM / Lead Manager	Lead Manager to the Issue, in this case being Swastika Investmart Limited.
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and the SME Platform of BSE.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 20,12,000 Equity Shares of Rs. 10/- each at Rs. 34/- per Equity Share including share premium of Rs. 24/- per Equity Share aggregating to Rs. 684.08 Lakh by Aartech Solonics Limited.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors
Qualified Institutional Buyers / QIBs	Mutual Funds, Venture Capital Funds, or Foreign Venture Capital Investors registered with the SEBI; FIIs and their sub-accounts registered with the SEBI, other than a subaccount which is a foreign corporate or foreign individual; Public financial institutions as defined in Section 2(72) of the Companies Act; Scheduled Commercial Banks; Multilateral and Bilateral Development Financial Institutions; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs 2,500 Lakh; Pension Funds with minimum corpus of Rs 2,500 Lakh; National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Insurance Funds set up and managed by the army, navy, or air force of the Union of India. Insurance Funds set up and managed by the Department of Posts, India.

Terms	Description
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs 2,00,000
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Platform of BSE/BSE SME	The SME Platform of BSE Limited 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.
Underwriters	Underwriters to the issue are Swastika Investmart Limited
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated 30 <sup>th</sup> , August, 2018.
Working Days	<p>i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;</p> <p>ii. 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</p>

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AB Cable	Aerial Bunch Cable
ACB Boxes	Air Circuit Breaker Boxes
AMP	Ampere
CNC	Computer Numerical Control
CRGO	Cold-Rolled Grain Oriented
EHV	Extra High Voltage
EPC	Engineering, Procurement, and Construction
HP	Horse Power
HRC	High Rupturing Capacity
HT	High Tension
HV	High Voltage
KV	Kilo Volt
KVA	Kilo Volt Ampere
LT	Low Tension
LV	Low Voltage
MCB	Main Circuit Breaker
MCCB	Moulded Case Circuit Breaker
MT	Metric Tonne
MVA	Mega Volt Ampere
SSD	System Solution Divisions
CRP	Control and Rely Panel
BTS	Fast Bus Transfer System
UCAP	Ultracapacitors
LED	Light Emitting Diode
PCB	Printed Circuit Board

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

<b>Term</b>	<b>Description</b>
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
DIN	Director's identification number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March, 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GOI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India

<b>Term</b>	<b>Description</b>
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NIFTY	National Stock Exchange Sensitive Index
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	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 ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2009, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section

<b>Term</b>	<b>Description</b>
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, the SCRA, the Depositories Act and the rules and regulations made there under.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our audited financial statements for the financial year ended March 31, 2018, 2017, 2016, 2015, 2014 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009 and the Indian GAAP which are included in the Draft Prospectus, and set out in the section titled “Auditors Report and Financial Information of our Company” beginning on page no. 130 of the Draft Prospectus. Our Financial Year commences on April 1<sup>st</sup> and ends on March 31<sup>st</sup> of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31<sup>st</sup> of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “Risk Factors”, “Business Overview” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” beginning on page nos. 9, 82, 182 respectively of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009 and the Indian GAAP.

### Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft 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.

### Currency and units of presentation

In the Draft Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America,
- EURO or “€” are Euro currency,

All references to the word ‘Lacs’ or ‘Lac’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lacs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

## FORWARD LOOKING STATEMENTS

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 9, 82, 182 respectively of this Draft 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Lead Manager, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II

### RISK FACTORS

*An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. 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 risks mentioned herein.*

*The Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Prospectus.*

#### Materiality

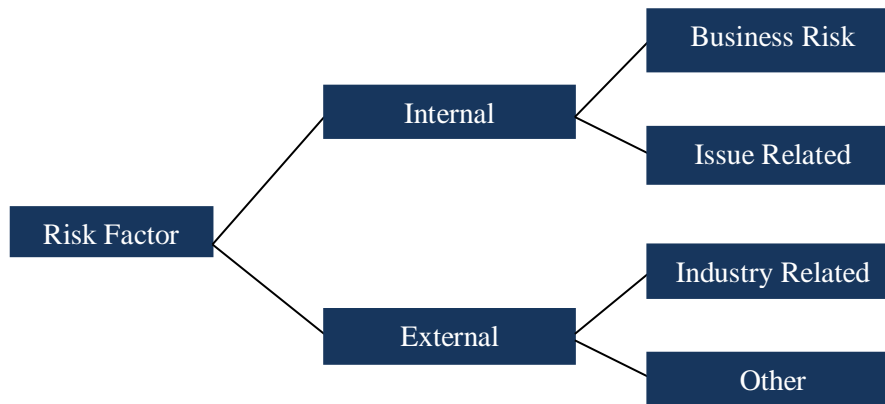
*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

- *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 the future*

#### Note:

*The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in the our restated financial statements prepared in accordance with Indian GAAP*



## INTERNAL RISK FACTORS:

1. **Our Company, Promoters, Directors and Group Company are currently involved in certain litigation which is pending at various stages, any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.**

For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries see the chapter titled “Outstandings Litigations and Material Developments” on page no. 190 of this Draft Prospectus.

A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In Lacs)
<b>Company</b>							
By the Company	1	3	NIL	NIL	NIL	NIL	32.59
Against the Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Promoters</b>							
By the Promoter	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Against the Promoter	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Group Companies</b>							
By Group Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Against Group Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Directors other than promoters</b>							
By the Directors	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. **Some of our corporate records including certain secretarial records for allotment and transfer of Equity Shares and certain forms in relation to years prior to 2006 are not traceable in the record of Registrar of Companies and Company as well.**

We are unable to trace certain corporate secretarial record for transfer and allotment of Equity Shares executed prior to the fiscal year 2006 and other documents in relation. We cannot assure you that the filings were made in a timely manner and that we shall not be subject to penalties on this account. Further online filing of ROC Documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain of these forms could not be retrieved from the Ministry of Corporate Affairs (MCA) portal. We cannot further assure you that we will not be penalized by the relevant supervisory and regulatory authorities in India for not maintaining or executing such documents.

3. **We have had certain inaccuracy in relation to regulatory filings to be made with the RoC and our company has made non-compliances of certain provision under applicable law.**

Our Company has in the past not complied with certain provisions of the Companies Act, 1956 and the Companies Act, 2013, For instance, the forms which were filed with Registrar of Companies have some factual discrepancy and errors and also belatedly filed. Also our company has not filed some of the forms relating to registering the resolutions in Registrar of Companies on timely manner and some share transfer forms are also not available with the company in records. Due to absence of professional guidance on the matter, we did not follow the prescribed procedures as laid down under the relevant sections of Companies Act but now to overcome the situation our Company has appointed a whole-time Company Secretary.

Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be affected.

**4. Some of our past shareholders consisting in public are not traceable.**

We are unable to trace some of the past public shareholders of the company, due to which we are not having any details, records of such persons and also unable to take various undertakings, consent letter from such persons.

**5. We do not own the premises in which our registered office and manufacturing unit are located and the same are on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by lender could adversely affect our operations**

Our registered office is presently located at E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016. The registered office is not owned by the company. The premise is taken on lease basis for a period of 5 years w.e.f. from 1<sup>st</sup> January, 2018 from our promoter Mr. Anil Anant Raje. Also the premise of our Mandideep manufacturing unit presently located at 35-A/36 Sector-B, Industrial Area, Mandideep, District Raisen, Madhya Pradesh (M.P.) India 462046 is on lease for 99 years. Up on termination of the lease, we are required to return the office premises to the Lessor/Licensor, unless it is renewed. There can be no assurance that the term of the agreements will be renewed on commercially acceptable terms and in the event the Lessor/Licensor terminates or does not renew the agreements, we are required to vacate our registered offices and we may be required to identify alternative premises and enter into fresh lease or leave and license agreement at less favorable terms and conditions. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

**6. Conflicts of interest may arise if our Promoter, Promoters' Group, or Directors are involved in any business activities that are being carried out by our Company or out of common business objects of our Group Companies/entities.**

There may be potential conflict of interest arise if our Promoter, Promoters' Group, or Directors are involved in any business activities that are being carried out by our Company.

For detailed information for transactions made by our Company with Group Companies/entities, please refer to "Annexure – A.VIII and B.VIII" of Restated financial Statement under chapter titled "Auditors Report and Financial Information of our Company" beginning on page no. 130 of this Draft Prospectus.

Owing to similar objects, conflict of interests may arise in allocating business opportunities amongst our Company and Promoter Group Companies/Entities in circumstances where our respective interests diverge. Further, we do not have any non-compete agreement / arrangement with Promoter, Promoters' Group, Directors and Group Companies/entities.

In cases of conflict, our Promoter may favour other company/entity in which our Promoter has interests. There can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business results of operations and financial condition.

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

We require certain statutory and regulatory permits, licenses and approvals etc. to operate our business. We believe that we have obtained all the requisite permits and licenses etc. which are adequate to run our business. If we fail to maintain such

registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspension and/or cancellation the approval/licenses which may affect our business adversely.

Some of the permits, licenses and approvals etc. are granted for a fixed period of time and may expire and for which we may have to make an application for obtaining the approval or its renewal. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. Moreover, there can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Further, certain statutory and regulatory may put certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations.

For more information about the licenses required in our business and the licenses and approvals please refer section “Government and other statutory approvals” appearing on page no. 193 of this Draft Prospectus.

**8. In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.**

Some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors (including our Promoters) would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors (including our Promoters) will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors (including our Promoters) may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors (including our Promoters) will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and draft prospect.

**9. Our Associate and Group Company have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our associate and group company.**

The details of profit and loss of our associate & Group Company in past years are as follows:-

Name of the Group Company	Profit/(Loss) of the year ended (Amount in Lacs)		
	31 <sup>st</sup> , March, 2018	31 <sup>st</sup> , March, 2017	31 <sup>st</sup> , March, 2016
Faradigm Ultracapacitors Private Limited	(11.07)	N.A.	N.A.
AIC-Aartech Solonics Private Limited	(10.31)	N.A.	N.A.

Any operating losses could adversely affect the overall operations of the group and financial conditions. For more information, regarding the Company, please refer chapter titled “Financial Information of our Group Companies” beginning on page no. 124 of this Draft Prospectus.

**10. Our operations are dependent on customer requirements and there is a risk of acceptance of our products by the customers.**

Our operations are dependent on the requirements of our customers. We are an innovation driven enterprise and to produce new products which attracts higher cost. Thus the cost of the new product is comparatively higher than the usual product. This thus raises the price of the product and thus involves the risk of acceptance by the customer.

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

Our Company has entered into certain transactions with our related parties. While we believe that all such transactions have been conducted on the arms-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 “Related Party Transactions” beginning on page no. 128 of this Draft Prospectus.

**12. Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees/workmen in future could adversely affect our business and results of operations.**

Our Company has total 61 employees excluding contract labour as at 30<sup>th</sup>, June, 2018. With an increase in our operation capacities or execution of any expansion projects in future, we expect increase in such number of employees and labors. Historically, we have enjoyed a good relationship with our employees, labors and have not experienced any lockouts, strikes, or any disruptions of any sort due to labour unrest. However there can be no assurance that we may not experience any disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

**13. We are involved majorly in B2B business and thus the size of market is comparatively small and this may have adverse effect on the results of the business.**

Our company is not just restricted in business which is of B2B significance but also involves retail customers. We are having specific clientele majorly from thermal power sector. However we deal with customers which are big market players and we effectively cover the market with our 2 manufacturing units. The limitation of market size may effect the results of business adversely.

**14. Our revenue is dependent upon business from State Electricity Board and other power companies hence we are indirectly exposed to the risk associated with growth of power sector in India and growth of such companies.**

Our revenue is highly dependent upon business from state electricity boards and electricity companies. The frequency and value of the tenders invited by these electricity companies and state electricity boards are wholly dependent on the growth of these companies, economic development of the company, infrastructural development, industrial development and government policies and programmes. However we have mitigated the risk by diversifying the products. Any downfall or disruption in these activities will have an adverse effect on the demand of our product having material adverse affect on our business, financial conditions, result of operations and cash flows.

**15. We are subject to risks arising from exchange rate fluctuations.**

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Fluctuations in the exchange rates may affect the Company to the extent of cost of imported raw material being bought from overseas vendors as well as goods exported by our Company. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company’s profitability, since a part of its raw material will be purchased in foreign currency.

**16. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.**

We are insured for a number of risks associated with our manufacturing and trading business, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery and voyage policy. We believe we have got our assets adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

**17. Difficulties and uncertainties surrounding the implementation of a GST regime in India may adversely affect our business strategy.**

The GoI has implemented a comprehensive GST regime which has combined taxes and levies by the central and state governments into a unified indirect tax on the manufacture, sale and consumption of goods and services at a national level. We expect the GST regime to benefit the inter-state movement of services which may lead to opportunities for growth of our business. For further details, see “Industry Overview” beginning on pages 76 respectively. In addition, since the GST regime has

been implemented, the impact, if any, that implementation of the GST regime will have on our tax liability and other related matters is uncertain. We cannot assure you that the GST regime will not result in levy of certain additional taxes. In the event GST increases our tax liability, our financial condition and results of operations could be affected. In respect of our business, we may experience an increase in our tax liabilities. If these additional taxation expenses are not reimbursed by our clients or if we are not able to obtain suitable relief from the tax authorities, our business, financial condition and results of operations may be affected. For further details of regulation applicable to us, refer chapter titled “Key Industrial Regulation and Policies” beginning on page no. 98 of this Draft Prospectus.

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

Although in the past we haven’t paid dividends intermittently, our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

**19. 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 our Audit Committee.**

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**20. We have not identified any alternate source of raising the funds required for our “Objects of the Issue”. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company.

**21. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.**

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoters. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoters and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “Our Management” on page 109 of this Draft Prospectus.

**22. There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies.**

Our Company has made some clerical mistakes in the form filed with Registrar of Companies such as total number of allotment was wrongly entered in the annual return. In case of any cognizance being taken we may be subjected to penalty in respect of them. Although no show cause notice have been issued against the Company till date in respect of above, but in case of any such event we may be subjected to penal actions from the concerned authorities for the same.

**23. Any change in technology may render our current technologies obsolete or require us to make substantial capital investment to cope with the market.**

Technology upgradation is a regular process and it is also essential for providing the desired quality to customers. We are taking all the possible steps to keep our manufacturing facilities in line with the latest technology. However any technical upgradation in the technology may render our current technology obsolete and require us to upgrade the existing technology or implement new technology. Further implementing new technology may require us to incur huge capital expenditure which could affect our cash flows and result of operations.

**24. Certain data mentioned in this prospectus has not been independently verified.**

We have not independently verified data from industry publication contained herein and although we believe these sources to be reliable, we cannot assure that they are complete and reliable. Such data may also be produced on a different basis from comparable information complied with regard to other countries.

**25. We face competition in our business from domestic as well as foreign competitors. Such competition would have an adverse impact on our business and financial performance.**

The industry, in which we are operating, is increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

## **ISSUE SPECIFIC RISKS**

**26. There are restrictions on daily/weekly/monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

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

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

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

- Volatility in the Indian and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Adverse media reports on Company or pertaining to the Power 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.

**28. 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. 72 of this Draft 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.

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

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

**30. 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.

## **EXTERNAL RISK FACTORS:**

### **INDUSTRY RISKS**

**31. 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 of the Company. In recent times, global financial markets experienced a period of unprecedented turmoil and upheaval characterized by extreme volatility and declines in prices of securities, diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse, nationalization or sale of financial institutions and an unprecedented level of governmental intervention. The Indian economy and financial markets were also significantly impacted by such global economic, financial and market conditions.\

**32. Changes in the GoI's policies in the future could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our future prospects.**

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant.

**33. Our business and activities are regulated by the Competition Act, 2002. Any application of the Competition Act, 2002 to us may be unfavorable, and may have an adverse effect on our business and results of operations.**

The Indian Parliament has enacted the Competition Act, 2002 (the - Competition Act) under the auspices of the Competition Commission of India to prevent business practices from having an adverse effect on competition, which (other than for certain provisions relating to the regulation of combinations) has recently become effective. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. It is unclear as to how the Competition Act and the Competition Commission of India may affect industries in India. Any application of the Competition Act to us may be unfavourable, and may have an adverse effect on our business and results of operations.

**34. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**35. 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 Prospectus.**

As stated in the reports of the Auditor included in this Draft Prospectus under chapter “Auditor Report and Financial Information of our Company” beginning on page no. 130, the financial statements included in this Draft 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 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 Prospectus. Accordingly, the degree to which the financial information included in this Draft 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 Prospectus should accordingly be limited.

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

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

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds ₹ 1,00,000/- p.a. Such income

arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of ₹ 1,00,000/- p.a. shall be chargeable at the rate of 10%.

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

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" on page 97 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

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

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

**38. 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.

**39. 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 GoI 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.

**40. 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.

**41. 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.

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

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

**43. 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.

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

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

**45. 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. This is a Public Issue of 21,20,000 Equity Shares of Rs. 10 each at a price of Rs. 34 per Equity Share aggregating Rs.720.80 Lacs.
2. For information on changes in our Company’s registered office please refer to the chapter titled “History and Certain Corporate Matters” beginning on page no. 106 of the Draft Prospectus.
3. Our Net Worth as per Restated Financial Statement as at March, 31<sup>st</sup>, 2018 and as on March 31, 2017 was Rs. 1791.23 Lacs and Rs. 1676.67 Lakhs respectively.
4. The Net Asset Value per Equity Share as at March, 31<sup>st</sup>, 2018 was Rs. 36.26.
5. Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
6. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

<b>Name of the Promoters</b>	<b>No. of Equity Shares held</b>	<b>Average cost of acquisition (in Rs.)</b>
Mr. Anil Anant Raje	1,558,667	1.07
Mrs. Chhaya Raje	9,33,333	1.07

The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them. For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled “Capital Structure” beginning on page no. 39 of the Draft Prospectus.

7. There has been no financing arrangement whereby the Promoter Group, our Directors and 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 the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.
8. The details of transaction by our Company are disclosed under “Related Party Transactions” and “Auditor’s Report and Financial Information of our Company” beginning on page no. 128 and 130 of this Draft Prospectus.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY OVERVIEW

#### **GLOBAL ECONOMIC OUTLOOK:**

Economic activity in 2017 ended on a high note - growth in the second half of the year was above 4 percent, the strongest since the second half of 2010, supported by a recovery in investment. Outcomes exceeded the October 2017 *World Economic Outlook* forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast.

This positive momentum will eventually slow, however, leaving many countries with a challenging medium-term outlook. Some cyclical forces will wane: financial conditions are expected to tighten naturally with the closing of output gaps and monetary policy normalization; US tax reform will subtract momentum starting in 2020, and then more strongly as full investment expensing is phased out starting in 2023; and China’s transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. At the same time, while the expected recovery in investment will help raise potential output, weak productivity trends and reduced labor force growth due to population aging constrain medium-term prospects in advanced economies. (Chapter 2 examines the drivers of labor force participation in advanced economies.) The outlook is mixed across emerging market and developing economies. Prospects remain favorable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa, where—despite some recovery—the medium term outlook for commodity exporters remains generally subdued, with a need for further economic diversification and adjustment to lower commodity prices. More than one-quarter of emerging market and developing economies are projected to grow by less than advanced economies in per capita terms over the next five years, and hence fall further behind in terms of living standards.

The current juncture offers a window of opportunity to advance policies and reforms that safeguard the upswing and raise medium-term growth to the benefit of all.

[Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>]

#### **MAJOR ECONOMIES: RECENT DEVELOPMENTS AND OUTLOOK:**

Growth in advanced economies strengthened in 2017, reaching an estimated 2.3 percent—0.4 percentage point above previous forecasts—helped by a recovery in capital spending and exports. The pickup in investment reflected increased capacity utilization, favorable financing conditions, and rising profits and business sentiment. Confidence was supported by the fact that policy uncertainty, albeit still elevated, diminished during the year.

Consumption growth was stable, as continued labor market improvements offset the dampening impact of a rebound in energy prices. The recovery was substantially stronger than expected in the Euro Area and, to a lesser degree, in the United States and Japan. Despite the strengthening of activity, inflation in advanced economies remained subdued in 2017.

Over the forecast horizon, advanced-economy growth is expected to moderate slightly in 2018, to 2.2 percent, and to average 1.8 percent in 2019-20—close to the upper bound of potential growth estimates. This path reflects the unwinding of a cyclical upturn in investment and further normalization of monetary policy, as advanced economy output gaps close.

[Source: <https://openknowledge.worldbank.org/bitstream/handle/10986/28932/9781464811630.pdf>]

#### **INDIAN ECONOMIC OVERVIEW**

The Indian economy is growing strongly and remains a bright spot in the global landscape. The halving of global oil prices that began in late 2014 boosted economic activity in India, further improved the external current account and fiscal positions, and helped lower inflation. In addition, continued fiscal consolidation, by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance have helped cement macroeconomic stability.

The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. In particular, the upcoming implementation of the goods and services tax, which has been in the making for over a

decade, will help raise India's medium-term growth to above 8 percent, as it will enhance the efficiency of production and movement of goods and services across Indian states.

Challenges remain, however, and there is little scope for complacency. A key concern for us is the health of the banking system, which is still dealing with a large amount of bad loans, and also heightened corporate vulnerabilities in several key sectors of the economy. And, over the past few months, the economy has been hit by cash shortages, and accordingly we reduced our growth forecasts to 6.6 percent for fiscal year 2016/17 and to 7.2 percent in 2017/18.

[Source: [www.imf.org/en/News/Articles/2017/02/21/NA022217-For-India-strong-growth-persists-despite-new-challenge](http://www.imf.org/en/News/Articles/2017/02/21/NA022217-For-India-strong-growth-persists-despite-new-challenge) ]

## **POWER SECTOR INDUSTRIES**

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.

[Source: <https://www.ibef.org/industry/power-sector-india.aspx>]

For further details, please refer to section titled "Industry Overview" beginning on page no. 76 of this Draft Prospectus.

## SUMMARY OF BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Auditor Report and Financial Information of our Company” on page no. 9, 182 and 130 respectively of the Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, in this chapter, unless the context requires otherwise, any reference to the terms “Our Company”, “We”, “Us” and “Our” refers to “Aartech Solonics Limited”, unless stated otherwise.*

### OVERVIEW

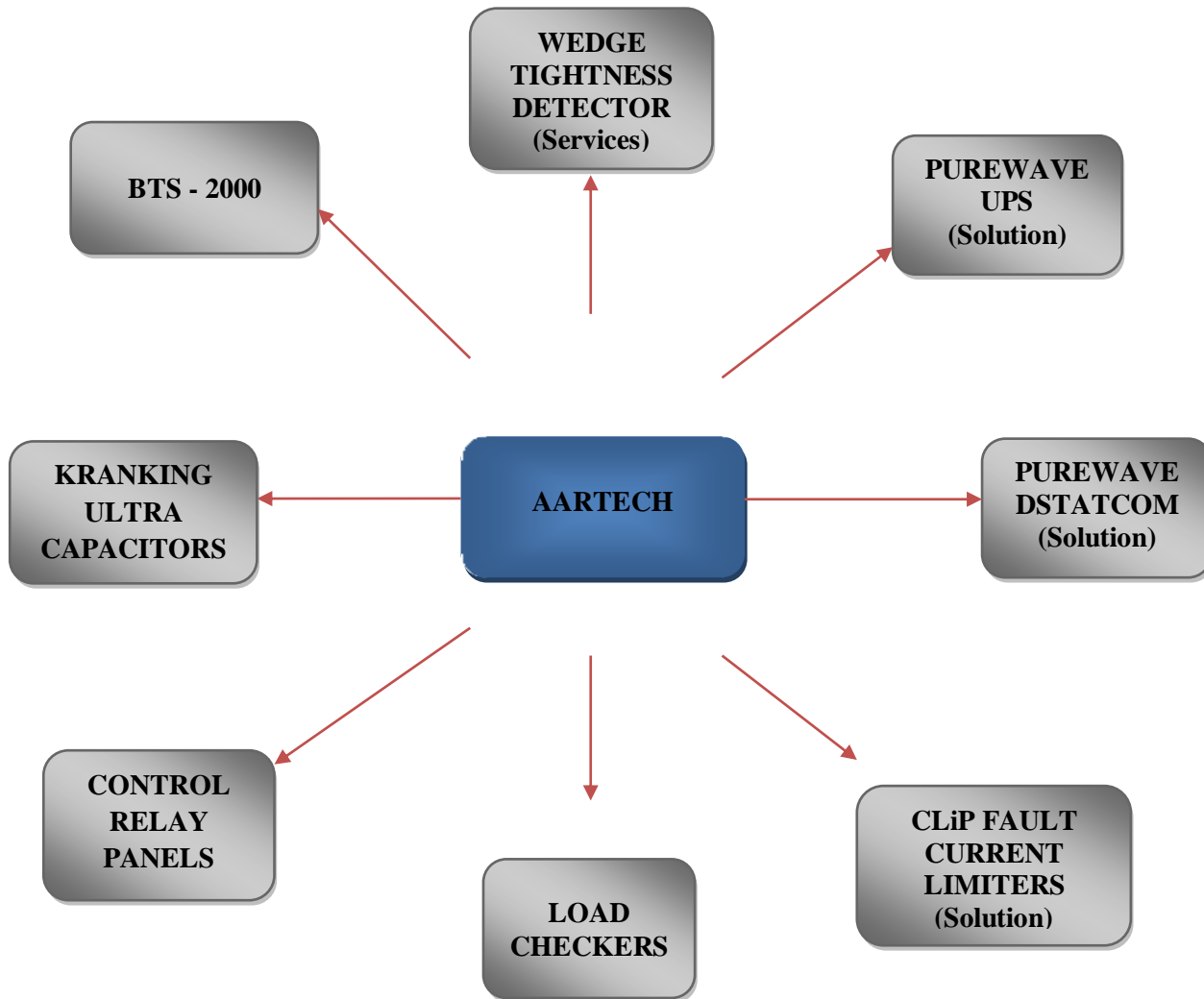
Our Company was originally incorporated as “**Aartech Solonics Private Limited**” on August, 24<sup>th</sup>, 1982 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gwalior, Madhya Pradesh. Later on, the company got converted into public limited company and the name of the company was changed to – “Aartech Solonics Limited” and fresh certificate of incorporation dated April 23<sup>rd</sup>, 1992 was issued by the Registrar of companies, Gwalior, Madhya Pradesh.

Aartech Solonics Limited is a system solution oriented R&D enterprise in the field of specialized and selected energy appliances. The company is involved in the manufacturing of electricity distribution & control apparatus [electrical apparatus for switching or protecting electrical circuits (e.g. switches, fuses, voltage limiters, surge suppressors, junction boxes etc.) for a voltage exceeding 1000 volts; similar apparatus (including relays, sockets etc.) for a voltage not exceeding 1000 volts; boards, panels, consoles, cabinets and other bases equipped with two or more of the above apparatus for electricity control or distribution of electricity including power capacitors

Our history of being in the Energy sector goes back to 1982, and as a Limited company, it was registered in the year 1992. Since then, we have been providing technical expertise to all our customers in expanding energy market across the globe. The company is known for its rich credentials in the highly specialized field of fast bus transfer systems for medium voltage installations in power plant & process industries. Aartech BTS – 2000 Micro processor based fast bus transfer system, sets the highest international benchmarks for providing critical process continuity solutions to the industry.

We aim to be a multi-product, multi-technologist company which provides a platform for technologists to step on and contribute effectively to technology development without having to inordinately deal with business setup issues. Also, to be an efficiently structured, IT enabled, delegated and organized outfit. To be optimally resourced for growth, and to use resources optimally for growth. To maintain an ethical corporate environment both within and without. To be a responsible corporate citizen and follow universally accepted ideals.

**OUT SPECTRUM OF SERVICES/PRODCUTS:**



**OUR POPULAR PRODUCTS AND SERVICES:**

- BTS – 2000.
- Kranking Ultra Capacitors.
- Control Rely Panels.
- Load Checkers.
- We also provide solutions and services for the following products. These products are trademarks of other companies. However, we provide solutions to other industries based on ourstudy on these solutions.

**Other Products Include:**

- GSUN Innovations
- Bestcase Enclosures

## SUMMARY OF OUR FINANCIAL INFORMATION

Restated Standalone Balance Sheet

(₹ In Lacs)

Particulars		As at 31 <sup>st</sup> , March,				
		2018	2017	2016	2015	2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>					
	Share capital	494.01	494.01	494.01	494.01	494.01
	Reserves and surplus	1,297.22	1,182.66	1,152.57	1,158.96	1,102.08
<b>2</b>	<b>Non-current liabilities</b>					
	Long-term borrowings	-	-	-	-	-
	Deferred tax liabilities (Net)	4.37	7.18	9.59	11.28	10.22
	Long-term Provisions	-	-	-	-	-
	Other Non Current Liabilities	-	8.43	-	-	-
<b>3</b>	<b>Current liabilities</b>					
	Short-term borrowings	-	49.58	-	-	-
	Trade payables	48.49	148.88	124.95	135.57	102.38
	Other Current liabilities	8.18	8.51	7.31	11.28	16.56
	Short-term provisions	85.81	46.53	83.68	110.91	79.09
	<b>TOTAL</b>	<b>1938.08</b>	<b>1,945.78</b>	<b>1,872.11</b>	<b>1,922.00</b>	<b>1,804.34</b>
<b>II</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	Fixed assets					
	Tangible assets	206.60	247.32	261.64	279.40	319.20
	Intangible Assets	-	-	-	-	-
	Capital Work in Progress	-	-	-	-	-
	Non-Current Investments	258.85	313.36	308.04	274.41	247.62
	Long-term loans and advances	319.72	33.10	23.18	23.56	21.98
	Other Non-Current Assets	-	-	-	-	-
	Deferred Tax Assets	-	-	-	-	-
<b>2</b>	<b>Current assets</b>					
	Current Investments	183.82	266.80	-	-	-
	Inventories	388.91	380.39	226.57	201.93	239.77
	Trade receivables	345.06	316.61	514.24	600.32	322.39
	Cash and cash equivalents	199.59	254.25	306.92	317.34	417.32
	Short-term loans and advances	18.89	96.23	9.52	12.46	8.63
	Other Current Assets	16.24	37.72	222.01	212.59	226.51
	<b>TOTAL</b>	<b>1,938.08</b>	<b>1,945.78</b>	<b>1,872.11</b>	<b>1,922.00</b>	<b>1,804.34</b>

Restated Standalone Profit and Loss Account:

(₹ In Lacs)

Particulars		For the year ended March, 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
I.	Revenue from operations	1130.28	1272.85	973.38	923.26	886.04
II.	Other income	78.23	69.20	52.47	71.09	67.75
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>1208.50</b>	<b>1342.05</b>	<b>1025.84</b>	<b>994.35</b>	<b>953.79</b>
IV	Expenses:					
	Cost of Material Consumed	599.74	975.05	584.74	333.54	524.83
	Changes in inventories of Stock-in-Trade	(1.61)	(161.18)	(52.51)	68.13	(9.08)
	Employee benefits expense	233.10	256.21	263.11	263.96	272.68
	Finance costs	7.52	7.64	17.72	9.20	19.88
	Depreciation and amortization expense	31.25	31.70	33.96	28.95	27.05
	Other expenses	201.47	200.38	152.73	148.45	186.55
	<b>Total expenses</b>	<b>1071.47</b>	<b>1309.81</b>	<b>999.75</b>	<b>852.24</b>	<b>1021.91</b>
<b>V.</b>	<b>Profit before tax (III-IV)</b>	137.04	32.25	26.09	142.11	(68.12)
VI	Tax expense:					
	(1) Current tax	22.26	4.57	4.97	28.43	-
	(2) Deferred tax	(2.81)	(2.41)	(1.69)	1.06	2.29
	(3) MAT Credit	-	-	-	-	-
<b>VII</b>	<b>Profit (Loss) for the period (V-VI)</b>	<b>117.58</b>	<b>30.09</b>	<b>22.81</b>	<b>112.62</b>	<b>(70.41)</b>

Restated Standalone Cash Flow Statement

(₹ In Lakh)

Particulars	For the year ended March, 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Cash flow from Operating Activities					
Net Profit Before tax as per Statement of Profit & Loss	137.04	32.25	26.09	142.11	-68.12
<b>Adjustments for :</b>					
Depreciation & Amortisation Exp.	31.25	31.70	33.96	28.95	27.05
Dividend Income	-8.81	-8.26	-4.49	-4.35	-2.61
Interest Income	-17.05	-10.18	-19.73	-23.28	-21.94
(Profit)/Loss on Sale of Fixed Assets	-20.21	-5.17	-4.20	-20.47	-2.57
Finance Cost	-	-	-	-	-
Other Non Operating Income	-32.15	-	-24.05	-23.18	-36.30
Revenue Government Grant	-	-	-	-	-
<b>Operating Profit before working capital changes</b>	<b>90.06</b>	<b>40.34</b>	<b>7.58</b>	<b>99.79</b>	<b>-104.49</b>
Changes in Working Capital					
Trade receivable	-28.84	197.62	86.08	-277.93	414.08
Loans and advances	77.34	-86.71	2.95	-3.84	42.38
Inventories	-8.53	-153.82	-24.64	37.84	11.56
Other Current Assets	21.47	184.30	-9.21	13.93	-39.47
Deferred Revenue Grant	-	4.48	-	-	-
Trade Payables	-100.39	23.93	-10.61	33.19	-26.62
Other Current Liabilities	-0.33	1.36	0.00	-5.32	8.17
Short term Provisions	29.56	-10.60	-1.52	2.46	14.91
Net Cash Flow from Operation	<b>80.35</b>	<b>200.90</b>	<b>50.62</b>	<b>-99.89</b>	<b>320.52</b>
Less : Income Tax paid	-12.54	-1.93	-34.44	0.00	-73.60
<b>Net Cash Flow from Operating Activities (A)</b>	<b>67.80</b>	<b>198.97</b>	<b>16.18</b>	<b>-99.89</b>	<b>246.92</b>
Cash flow from investing Activities					
Purchase of Fixed Assets	-19.16	-25.99	-16.20	-14.34	-15.96
Sale of Fixed Assets	26.89	0.06	0.00	0.00	0.00
Purchase of Fixed Deposits	-	-245.67	-334.41	-40.45	-114.39
Purchase/Sale of Investment	-0.02	-367.11	-105.15	-128.92	-108.92
Investment in Subsidiaries	-1.95	-	-	-	-
Grant received from government	-	12.50	-	-	-
Utilisation of grant received	-9.72	-	-	-	-
Long Term Loans & Advances	-277.24	-	-	-	-
Security Deposit paid	-9.39	-9.92	0.00	-1.58	-13.05

Maturity of Current Investment	-	-	-	-	46.39
Proceeds from Marketable Securities	139.46	94.99	71.51	102.14	35.02
Maturity of fixed deposit made during the year (Net of purchases)	19.81	304.04	415.75	-	-
Realisation of security deposit	-	-	0.38	-	-
Other non-operating income	32.15	0.00	24.05	23.18	36.30
Net gain/(- loss) on sale of investments	20.21	5.17	4.20	20.47	2.57
Interest Income	17.05	10.18	19.73	23.28	21.94
Dividend Income	8.81	8.26	4.49	4.35	2.61
<b>Net Cash Flow from Investing Activities (B)</b>	<b>-53.07</b>	<b>-213.49</b>	<b>84.35</b>	<b>-11.87</b>	<b>-107.50</b>
Cash Flow From Financing Activities					
Proceeds From Short Term Borrowing	-	49.58	-	-	-
Proceeds From Long Term Borrowing	-	-	-	-	-
Proceeds From Issue of shares capital	-	-	-	-	-
Security premium on issue of equity shares	-	-	-	-	-
Payment of Dividend and Dividend distribution Tax	-	-29.35	-29.61	-28.67	-28.47
Repayment of Short Term Loan	-49.58				
Repayment of Long Term Loan	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>-49.58</b>	<b>20.23</b>	<b>-29.61</b>	<b>-28.67</b>	<b>-28.47</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-34.85</b>	<b>5.71</b>	<b>70.93</b>	<b>-140.43</b>	<b>110.95</b>
Opening Cash &Cash Equivalentts	127.28	121.58	50.65	191.08	80.13
Cash and cash equivalentts at the end of the period	<b>92.43</b>	<b>127.28</b>	<b>121.58</b>	<b>50.65</b>	<b>191.08</b>
Cash And Cash Equivalentts Comprise :					
Cash in Hand	0.75	0.78	0.70	0.44	0.41
Imprest given to Employees	1.03	0.05	0.59	0.53	3.13
Other Commitments	76.58	95.51	120.28	49.67	187.54
Earmarked Balances	2.25	2.25	-	-	-
Guarantees	11.83	28.68	-	-	-
<b>Total</b>	<b>92.43</b>	<b>127.28</b>	<b>121.58</b>	<b>50.65</b>	<b>191.08</b>

Particulars		As at 31 <sup>st</sup> , March,				
		2018	2017	2016	2015	2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>					
	Share capital	494.01	N.A	N.A	N.A	N.A
	Reserves and surplus	1255.98	N.A	N.A	N.A	N.A
<b>2</b>	<b>Non-current liabilities</b>					
	Long-term borrowings	-0.60	N.A	N.A	N.A	N.A
	Deferred tax liabilities (Net)	5.09	N.A	N.A	N.A	N.A
	Other Non Current Liabilities	26.28	N.A	N.A	N.A	N.A
<b>3</b>	<b>Current liabilities</b>					
	Short-term borrowings	-	N.A	N.A	N.A	N.A
	Trade payables	48.49	N.A	N.A	N.A	N.A
	Other current liabilities	59.74	N.A	N.A	N.A	N.A
	Short-term provisions	89.01	N.A	N.A	N.A	N.A
	<b>TOTAL</b>	<b>1978.00</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>II</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	Fixed assets		N.A	N.A	N.A	N.A
	Tangible assets	338.41	N.A	N.A	N.A	N.A
	Intangible Assets	-	N.A	N.A	N.A	N.A
	Intangible Assets under development	-	N.A	N.A	N.A	N.A
	Capital Work in Progress	-	N.A	N.A	N.A	N.A
	Less: Accumulated Depreciation	-	N.A	N.A	N.A	N.A
	Net Block	-	N.A	N.A	N.A	N.A
	Non-Current Investments	256.91	N.A	N.A	N.A	N.A
	Long-term loans and advances	42.49	N.A	N.A	N.A	N.A
	Other Non-Current Assets	-	N.A	N.A	N.A	N.A
	Deferred Tax Assets	-	N.A	N.A	N.A	N.A
<b>2</b>	<b>Current assets</b>					
	Current Investments	183.82	N.A	N.A	N.A	N.A
	Inventories	388.91	N.A	N.A	N.A	N.A
	Trade receivables	345.06	N.A	N.A	N.A	N.A
	Cash and cash equivalents	352.10	N.A	N.A	N.A	N.A
	Short-term loans and advances	19.91	N.A	N.A	N.A	N.A
	Other Current Assets	50.40	N.A	N.A	N.A	N.A
	<b>TOTAL</b>	<b>1978.00</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

Restated Consolidated Profit and Loss Account:

(₹ In Lakh)

Particulars		For the year ended March, 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
I.	Revenue from operations	988.28	N.A	N.A	N.A	N.A
II.	Other income	121.64	N.A	N.A	N.A	N.A
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>1109.91</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
IV	Expenses:					
	Cost of Material Consumed	518.46	N.A	N.A	N.A	N.A
	Changes in inventories of Stock-in-Trade	(1.61)	N.A	N.A	N.A	N.A
	Employee benefits expense	242.08	N.A	N.A	N.A	N.A
	Finance costs	7.61	N.A	N.A	N.A	N.A
	Depreciation and amortization expense	31.74	N.A	N.A	N.A	N.A
	Other expenses	215.79	N.A	N.A	N.A	N.A
	<b>Total expenses</b>	<b>1014.06</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>V.</b>	<b>Profit before tax (III-IV)</b>	<b>95.86</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>VI</b>	<b>Tax expense:</b>					
	(1) Current tax	22.26	N.A	N.A	N.A	N.A
	(2) Deferred tax	(2.09)	N.A	N.A	N.A	N.A
	(3) MAT Credit	-	N.A	N.A	N.A	N.A
<b>VII</b>	<b>Profit (Loss) for the period (V-VI)</b>	<b>75.68</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

Restated Consolidated Cash Flow Statement

(₹ In Lakh)

Particulars	For the year ended March, 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Cash flow from Operating Activities					
Net Profit Before tax as per Statement of Profit & Loss	95.86	N.A	N.A	N.A	N.A
<b>Adjustments for :</b>					
Depreciation & Amortisation Exp.	31.74	N.A	N.A	N.A	N.A
Dividend Income	-8.81	N.A	N.A	N.A	N.A
Interest Income	-14.16	N.A	N.A	N.A	N.A
Finance Cost	-	N.A	N.A	N.A	N.A
(Profit)/Loss on Sale of Fixed Assets	-46.29	N.A	N.A	N.A	N.A
Other Non Operating Income	-20.21	N.A	N.A	N.A	N.A
Revenue Government Grant	-32.17	N.A	N.A	N.A	N.A
Operating Profit before working capital changes	<b>5.96</b>	N.A	N.A	N.A	N.A
Changes in Working Capital :					
Trade receivable	-28.84	N.A	N.A	N.A	N.A
Other Loans and advances receivable	76.32	N.A	N.A	N.A	N.A
Inventories	-8.53	N.A	N.A	N.A	N.A
Other Current Assets	-12.68	N.A	N.A	N.A	N.A
Deferred Revenue Grant	-	N.A	N.A	N.A	N.A
Trade Payables	-100.39	N.A	N.A	N.A	N.A
Other Current Liabilities	54.82	N.A	N.A	N.A	N.A
Short term Provisions	-29.56	N.A	N.A	N.A	N.A
Net Cash Flow from Operation	16.22	N.A	N.A	N.A	N.A
Less : Income Tax paid	-12.54	N.A	N.A	N.A	N.A
<b>Net Cash Flow from Operating Activities (A)</b>	<b>3.68</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Cash flow from investing Activities					
Purchase of Fixed Assets	-151.45	N.A	N.A	N.A	N.A
Sale of Fixed Assets	26.89	N.A	N.A	N.A	N.A
Purchase of Fixed Deposits	-	N.A	N.A	N.A	N.A
Purchase/Sale of Investment	-0.02	N.A	N.A	N.A	N.A
Investment in Subsidiaries	-1.95	N.A	N.A	N.A	N.A
Grant received from government	72.57	N.A	N.A	N.A	N.A
Utilisation of grant received	-9.72	N.A	N.A	N.A	N.A
Long Term Loans & Advances	-277.24	N.A	N.A	N.A	N.A
Security Deposit paid	-9.39	N.A	N.A	N.A	N.A

Maturity of Current Investment	-	N.A	N.A	N.A	N.A
Proceeds from Marketable Securities	141.46	N.A	N.A	N.A	N.A
Maturity of fixed deposit made during the year (Net of purchases)	19.81	N.A	N.A	N.A	N.A
Realisation of security deposit	-	N.A	N.A	N.A	N.A
Other non-operating income	32.17	N.A	N.A	N.A	N.A
Net gain/(- loss) on sale of investments	20.21	N.A	N.A	N.A	N.A
Interest Income	14.16	N.A	N.A	N.A	N.A
Dividend Income	8.81	N.A	N.A	N.A	N.A
<b>Net Cash Flow from Investing Activities (B)</b>	<b>-113.67</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Cash Flow From Financing Activities					
Proceeds From Short Term Borrowing	-	N.A	N.A	N.A	N.A
Proceeds From Long Term Borrowing	277.24	N.A	N.A	N.A	N.A
Proceeds From Issue of shares capital	-	N.A	N.A	N.A	N.A
Security premium on issue of equity shares	-	N.A	N.A	N.A	N.A
Payment of Dividend and Dividend distribution Tax	-	N.A	N.A	N.A	N.A
Repayment of Short Term Loan	-49.58				
Repayment of Long Term Loan	-				
<b>Net Cash Flow from Financing Activities (C)</b>	<b>227.66</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>117.66</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Opening Cash &Cash Equivalents	127.28	N.A	N.A	N.A	N.A
Cash and cash equivalents at the end of the period	244.94	N.A	N.A	N.A	N.A
Cash And Cash Equivalents Comprise :		N.A	N.A	N.A	N.A
Cash in Hand	1.65	N.A	N.A	N.A	N.A
Imprest given to employees	1.03	N.A	N.A	N.A	N.A
Other Commitments	98.19	N.A	N.A	N.A	N.A
Earmarked Balances	2.25	N.A	N.A	N.A	N.A
Guarantees	141.83	N.A	N.A	N.A	N.A
<b>Total</b>	<b>244.94</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

## THE ISSUE

Present Issue in terms of the Draft Prospectus:

Particulars	Details
Equity Shares offered	21,20,000 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 34/- each aggregating to Rs. 720.80 Lakh.
Of which:	
Reserved for Market Makers	1,08,000 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 34/- each aggregating to Rs. 36.72 Lakh
Net Issue to the Public*	20,12,000 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 34/- each aggregating to Rs. 684.08 Lakh
Of which	
Retail Portion	10,06,000 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 34/- each aggregating to Rs. 342.04 Lakh.
Non Retail Portion	10,06,000 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 34/- each aggregating to Rs. 342.04 Lakh.
Equity Shares outstanding prior to the Issue	49,40,094 Equity Shares of Rs.10/- each
Equity Shares outstanding after the Issue	70,60,094 Equity Shares of Rs. 10/- each
Use of Proceeds	For further details please refer chapter titled "Objects of the Issue" beginning on page no. 67 of this Draft Prospectus for information on use of Issue Proceeds.

\*As per the Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investor; 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 retails individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.

### Notes

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to section titled 'Issue Structure' beginning on page no. 211 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 27, 2017, and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(C) of the Companies Act at the EoGM held on February 07, 2018.

## GENERAL INFORMATION

Our Company was originally incorporated as “**Aartech Solonics Private Limited**” on August, 24, 1982 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gwalior, Madhya Pradesh Later on, the company got converted into public limited company, and the name of our Company was changed to —”Aartech Solonics Limited” and fresh Certificate of Incorporation dated April 23, 1992 was issued by the Registrar of Companies, Gwalior, Madhya Pradesh. For details of Conversion of Company, please refer to section titled “History and Certain Corporate Matters” beginning on page no. 106 of this Draft Prospectus. **CIN:** U31200MP1982PLC002030.

### Brief Information on Company and Issue:

Particulars	Details
Registered Office	<b>Regd Office:</b> E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016 <b>Contact Person:</b> Mr. K.R. Tanuj Reddy; <b>Tel No.:</b> +91 – 73899 24734/0755-2463593 <b>Email:</b> <a href="mailto:compliance@aartechsolonics.com">compliance@aartechsolonics.com</a> <b>Web:</b> <a href="http://www.aartechsolonics.com">www.aartechsolonics.com</a>
Date of Incorporation	August, 24, 1982
Company Identification Number	U31200MP1982PLC002030
Company Category	Company limited by Shares
Registrar of Company	Gwalior
Address of the RoC	3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior, <b>Tel No.:</b> +91- 751 - 2321907; <b>Fax No.:</b> +91-79 - 2331853 <b>E Mail:</b> <a href="mailto:roc.gwalior@mca.gov.in">roc.gwalior@mca.gov.in</a>
Company Secretary and Compliance Officer	<b>Mr. K.R. Tanuj Reddy</b> C/o: Aartech Solonics Limited <b>Regd Office:</b> E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016 <b>Tel No.:</b> +91 - 7389924734 <b>Email:</b> <a href="mailto:compliance@aartechsolonics.com">compliance@aartechsolonics.com</a> <b>Web:</b> <a href="http://www.aartechsolonics.com">www.aartechsolonics.com</a>
Designated Stock Exchange	BSE Limited (BSE-SME Platform)
Issue Programme	Issue Opens On: [●] Issue Closes On: [●]

**Note:** Investors can contact the Company Secretary and Compliance officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

### Board of Directors of our Company

Presently our Board of Directors comprises of following Directors:

Sr. No.	Name	Designation	DIN
1.	Mr. Anil Anant Raje	Managing Director	01658167
2.	Mr. Amit Anil Raje	Whole time Director	00282385
3.	Mrs. Poonam Jaideep Mulhekar	Director	05262842
4.	Mr Ravindra K Shingwekar	Independent director	08052203
5.	Mr Prashant D Lowlekar	Independent director	08041377

For further details pertaining to the education qualification and experience of our Directors, please refer the chapter titled “Our Management” beginning on page no. 109 of this Draft Prospectus.

### Details of Key Market Intermediaries pertaining to this issue and Our Company

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>SWASTIKA INVESTMART LIMITED</b> <b>SEBI Regn. Number:</b> INM000012102 <b>Address:</b> 305, Madhuban Building, Cochin Street, S.B.S Road, Fort, Mumbai, Maharashtra – 400 001. <b>Tel No.:</b> +91–22–2265 5565; <b>Fax No:</b> +91–22–664 4300 <b>Email Id:</b> merchantbanking@swastika.co.in <b>Investors Grievance Id:</b> investorgrievance@swastika.co.in <b>Website:</b> www.swastika.co.in <b>Contact Person:</b> Mr. Mohit R. Goyal <b>CIN:</b> L65910MH1992PLC067052	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> <b>Address:</b> E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai- 400072 <b>Tel:</b> +91 22 40430200 <b>Fax:</b> +91 22 28475207 <b>Email:</b> ipo@bigshareonline.com <b>Investors Grievance Id:</b> <b>Website:</b> www.bigshareonline.com <b>Contact Person:</b> Mr. Srinivas Dornala <b>SEBI Registration No:</b> INR000001385
BANKERS TO THE COMPANY	LEGAL ADVISOR TO THE COMPANY
[•]	<b>OMSLAW HOUSE</b> <b>Mr. Om S. Shrivastava</b> <b>Address:</b> R-52, Shivlok Parishar, Zone – II, MP Nagar, Bhopal (M.P.) <b>Tel:</b> +91 - 755-4252990 <b>Mob:</b> +91 7869911990 <b>Email:</b> <a href="mailto:omslawhouse@gmail.com">omslawhouse@gmail.com</a>
AUDITORS OF THE COMPANY	PEER REVIEW AUDITORS
<b>SPARK &amp; ASSOCIATES</b> <b>CA Roopak Jain</b> <b>Address:</b> F-08, Smriti Tower, 159, Zone-II, M.P. Nagar, Bhopal-462011 <b>Tel:</b> +91 – 755 – 255 6641, <b>Email:</b> ca.roopak@gmail.com	<b>BAHETI &amp; COMPANY, CHARTERED ACCOUNTANTS</b> <b>Mr. Deepak Baheti</b> <b>Address:</b> 24, Zone-II, M.P. Nager, Bhopal, M.P <b>Tel:</b> +91- 9826010409 <b>E-mail:</b> <a href="mailto:deepakkumarbaheti@gmail.com">deepakkumarbaheti@gmail.com</a>
BANKERS TO THE ISSUE AND REFUND BANKER	
[•]	

### Self Certified Syndicate Banks

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link. Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches. [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html)

### Statement of Inter-se Allocation of Responsibilities

Since Swastika Investmart Limited is the Lead Manager to the issue, all the responsibility of the issue will be managed by them.

### Credit Rating

As this is an issue of Equity Shares there is no credit rating for this Issue.

### 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.

### Trustees

As this is an issue of Equity Shares, the appointment of Trustees is not required.

### Brokers to the issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

### Appraisal and Monitoring Agency

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lacs. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds. The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution.

### Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement has been entered on 20<sup>th</sup>, August, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (Rs. in Lakh)	% of the total Issue Size Underwritten
<b>Swastika Investmart Limited</b> 305, Madhuban Building, Cochin Street, S.B.S. Road, Fort, Mumbai – 400 001, Maharashtra	21,20,000	7,20,80,000	100
<b>Total</b>	<b>21,20,000</b>	<b>7,20,80,000</b>	<b>100</b>

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

### Details of the Market Making Arrangement for this issue

Our Company and the Lead Manager have entered into a agreement dated 30<sup>th</sup>, August, 2018 with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

#### SWASTIKA INVESTMART LIMITED

**SEBI Regn. Number:** INZ000192732

**Address:** Flat No.18, 2nd Floor, North Wing, Madhaveshwar Co-op- Hsg Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai– 400058

**Tel No.:** +91- 22-26254568-69; **Fax No:** +91–731–664 4300

**Email Id:** [merchantbanking@swastika.co.in](mailto:merchantbanking@swastika.co.in)

**Investors Grievance Id:** [investorgrievance@swastika.co.in](mailto:investorgrievance@swastika.co.in)

Contact Person: CS Mohit R. Goyal

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI in this regard from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

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. 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).

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 offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

- 1) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 2) 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 1,08,000 Equity Shares) out to be allotted under this Issue. Any Equity Shares allotted to Market Maker under this Issue over and above 1,08,000 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.
- 3) 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.
- 4) There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 5) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 6) The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 7) 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.
- 8) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker 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, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers 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 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 registered office from 11.00 a.m. to 5.00 p.m. on working days.
- 9) Risk containment measures and monitoring for Market Makers: BSE SME Segment will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 10) Punitive Action in case of default by Market Makers: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- 11) **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 ₹ 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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 Platform.

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

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

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 ₹ 20 Crore	25%	24%
₹ 20 to ₹ 50 Crore	20%	19%
₹ 50 to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

## CAPITAL STRUCTURE

Our Equity Share Capital before the issue and after giving effect to the issue, as on the date of filing of this Draft Prospectus, is set forth below:

(₹. in Lacs)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at issue price
	<b>Authorized Share Capital</b> 1,00,00,000 Equity Shares of face value of Rs.10/- each	1,000.00	-
	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b> 49,40,094 Equity Shares of face value of Rs. 10/- each	494.01	-
	<b>Present issue in terms of this Draft Prospectus</b> Issue of 21,20,000 Equity Shares of Rs. 10/- each at a price of Rs. 34/- per Equity Share. <b>Which comprises</b>	212.00	684.08
	1,08,000 Equity Shares of Rs. 10/- each at a price of Rs. 34/- per Equity Share reserved as Market Maker Portion	10.80	36.72
	Net Issue to Public of 20,12,000 Equity Shares of Rs.10/- each at a price of Rs. 34/- per Equity Share to the Public	201.20	684.08
	<b>Of which</b>		
	10,06,000 Equity Shares of Rs.10/- each at a price of Rs. 34/- per Equity Share will be available for allocation for Investors investing amount up to Rs. 2 Lacs.	100.60	342.04
	10,06,000 Equity Shares of Rs.10/- each at a price of Rs. 34/- per Equity Share will be available for allocation for Investors investing amount above Rs. 2 Lacs.	100.60	342.04
	<b>Paid up Equity capital after the Issue</b> 70,60,094 Equity Shares of Rs. 10 each	706.01	
	Securities Premium Account		0.40
			509.20

**Note:**

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 27, 2017, and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(C) of the Companies Act at the EGM held on February 07, 2018.

### Class of Shares

The company has only one class of shares i.e. Equity shares of Rs. 10/- each only.

### CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Particulars of Increase	Cumulative no. of equity shares	Face Value of Shares	Cumulative Authorized Share Capital( Rs. in Lakh)	Date of Meeting	Whether AGM/EGM
On incorporation	5,000	100	5.00	NA	NA
Increase from Rs. 5 Lakh to Rs. 10 Lakh	10,000	100	10.00	25.08.1986	AGM
Increase from Rs. 10 Lakh to Rs. 5 crore	50,000	100	500.00	20.04.1992	EGM
Increase from Rs. 5 crores to Rs. 10 crores	1,00,00,000	10	1000.00	07.02.2018	EGM

## NOTES TO THE CAPITAL STRUCTURE:

### 1. Share capital history

Our existing Equity Share Capital has been subscribed and allotted as under:

Date of allotment	Number of equity shares Allotted	Face value (In Rs.)	Issue price (In Rs.)	Nature of consideration (Cash, other than Cash, Bonus)	Nature of allotment/ Transaction	Cumulative Number of Equity Shares	Cumulative Paid up Equity share Capital (In Rs.)	Cumulative Share Premium (In Rs.)
24 <sup>th</sup> , Aug., 1982 <sup>#</sup>	2	100	100	Cash	Subscriber to Memorandum*	2	200	-
25 <sup>th</sup> , Oct., 1985 <sup>#</sup>	1,880	100	100	Cash	Further Allotment <sup>1</sup>	1,882	1,88,200	-
29 <sup>th</sup> , Jan., 1986 <sup>#</sup>	3,713	100	100	Cash	Further Allotment <sup>2</sup>	5,595	5,59,500	-
01 <sup>st</sup> , Apr., 1988 <sup>#</sup>	2,000	100	100	Cash	Further Allotment <sup>3</sup>	7,595	7,59,500	-
20 <sup>th</sup> , Jun., 1989 <sup>#</sup>	1,355	100	100	Cash	Further Allotment <sup>4</sup>	8,950	8,95,000	-
11 <sup>th</sup> , Aug., 1991 <sup>#</sup>	865	100	100	Cash	Further Allotment <sup>5</sup>	9,815	9,81,500	-
27 <sup>th</sup> , Mar., 1993 <sup>#</sup>	-	10	-	Sub-Division	Sub-Division <sup>6</sup>	98,150	9,81,500	-
15 <sup>th</sup> , Sep., 1993 <sup>#</sup>	97,500	10	10	Cash	Further Allotment <sup>7</sup>	1,95,650	19,56,500	-
17 <sup>th</sup> , Oct, 2004 <sup>#</sup>	1,44,000	10	10	Cash	Further Allotment <sup>8</sup>	3,39,650	33,96,500	-
25 <sup>th</sup> , Feb., 2008	4,953	10	10	Cash	Further Allotment <sup>9</sup>	3,44,603	34,46,030	-
20 <sup>th</sup> , Jun., 2009	1,83,697	10	10	Cash	Further Allotment <sup>10</sup>	5,28,300	52,83,000	-
20 <sup>th</sup> , Jul., 2009	31,69,800	10	-	Bonus	Bonus Issue in the ratio 6:1 <sup>11</sup>	36,98,100	3,69,81,000	-
26 <sup>th</sup> , Dec., 2009	1,400	10	10	Cash	Further Allotment <sup>12</sup>	36,99,500	3,69,95,000	-
02 <sup>nd</sup> , Sep., 2010	400	10	10	Cash	Further Allotment <sup>13</sup>	36,99,900	3,69,99,000	-
30 <sup>th</sup> , Sep., 2010	12,33,294	10	-	Bonus	Bonus Issue in the ratio 3:1 <sup>14</sup>	49,33,194	4,93,31,940	-
16 <sup>th</sup> , Sep., 2011	1,000	10	10	Cash	Further Allotment <sup>15</sup>	49,34,194	4,93,41,940	-
10 <sup>th</sup> , Oct., 2012	1,900	10	10	Cash	Further Allotment <sup>16</sup>	49,36,094	4,93,60,940	-
10 <sup>th</sup> , Oct., 2012	4,000	10	10	Cash	Further Allotment <sup>17</sup>	49,40,094	4,94,00,940	-
				<b>Total</b>		<b>49,40,094</b>		

#Note: Details are inserted based on Statutory Registers maintained by the Company.

(\*) The details of allotment made to the subscribers are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	1	100	100
2.	Mrs. Chhaya Raje	1	100	100
	<b>Total</b>	<b>2</b>	<b>200</b>	<b>200</b>

(<sup>1</sup>) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	365	100	100
2.	Mrs. Chhaya Raje	169	100	100
3.	Mr. Amit Anil Raje	50	100	100
4.	Mrs. Poonam Jaideep Mulherkar	60	100	100
5.	Mrs. Arati Nath	50	100	100

6.	Ms. Nirmala Rajee	364	100	100
7.	M/s Cands Marketing Services Pvt. Ltd.	370	100	100
8.	Mr. Ashok Gupte	452	100	100
<b>Total</b>		<b>1,880</b>		

(2) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Rajee	65	100	100
2.	Mrs. Chhaya Anil Rajee	17	100	100
3.	Mr. P P Kardale	120	100	100
4.	Ms. Rohini Berde	150	100	100
5.	Ms. Kunda Gupte	247	100	100
6.	Ms. Mrunal Gupte	57	100	100
7.	Ms. Monika Gupte	80	100	100
8.	Mr. Jayant Dikey	159	100	100
9.	Ms. Medha Dikey	200	100	100
10.	Ms. Aditi Dikey	200	100	100
11.	Mr. Vivek J. Dikey	639	100	100
12.	Ms. Bharati Bhate	169	100	100
13.	Mr. Amit Bhate	119	100	100
14.	Mr. Jayant Bendre	125	100	100
15.	Ms. Jyoti Bendre	157	100	100
16.	Mr. Jatin Bendre	40	100	100
17.	Mr. Vijay G	260	100	100
18.	Ms. Asha G	384	100	100
19.	Mr. SM Berde	112	100	100
20.	Ms. Sarojini	113	100	100
21.	Mr. Vimal	50	100	100
22.	Mr. Heeralal	250	100	100
<b>Total</b>		<b>3,713</b>		

(3) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Dilip Vasant	500	100	100
2.	Mr. Arun Wadia	500	100	100
3.	Mr. Rajan Gurgule	500	100	100
4.	Mr. Shashikant Digambar Kulkarni	500	100	100
<b>Total</b>		<b>2,000</b>		

(4) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Rajee	10	100	100
2.	Mr. Ashok Gupte	10	100	100
3.	Ms. Rohini Berde	5	100	100
4.	Mr. Jayant Dikey	10	100	100
5.	Mr. Jayant Bendre	10	100	100

6.	Ms. Asha Gupte	5	100	100
7.	Ms. Sarojini Jayawant	100	100	100
8.	Mr. S. D. Limaye	1,000	100	100
9.	Mr. Shashikant Digambar Kulkarni	205	100	100
<b>Total</b>		<b>1,355</b>		

<sup>(5)</sup> The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	260	100	100
2.	Mrs. Chhaya Anil Raje	385	100	100
3.	Mr. Shashikant Digambar Kulkarni	220	100	100
<b>Total</b>		<b>865</b>		

<sup>(6)</sup> The details of Sub-Division are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	8,210	10	10
2.	Mrs. Chhaya Anil Raje	5,720	10	10
3.	Mr. Amit Anil Raje	2,500	10	10
4.	Mrs. Arati Nath	2,190	10	10
5.	Mrs. Poonam Jaideep Mulherkar	2,600	10	10
6.	Ms. Nirmala Raje	3,640	10	10
7.	M/s Cands Marketing Services Pvt. Ltd.	6,200	10	10
8.	Mr. Ashok Gupte	5,120	10	10
9.	Ms. Rohini Berde	1,550	10	10
10.	Ms. Kunda Gupte	2,470	10	10
11.	Ms. Mrunal Gupte	570	10	10
12.	Ms. Monika Gupte	800	10	10
13.	Mr. Vivek J. Dikey	6,390	10	10
14.	Ms. Bharati Bhate	1,690	10	10
15.	Mr. Amit Bhate	1,190	10	10
16.	Mr. Jayant Bendre	1,350	10	10
17.	Ms. Jyoti Bendre	1,570	10	10
18.	Mr. Jatin Bendre	400	10	10
19.	Mr. Vijay G	2,600	10	10
20.	Ms. Asha Gupte	3,890	10	10
21.	Mr. SM Berde	1,120	10	10
22.	Ms. Sarojini Jayawant	2,130	10	10
23.	Mr. Dilip Vasant	5,000	10	10
24.	Mr. Arun Wadia	5,000	10	10
25.	Mr. Rajan Gurgule	5,000	10	10
26.	Mr. S. D. Limaye	10,000	10	10
27.	Mr. Shashikant Digambar Kulkarni	9,250	10	10
<b>Total</b>		<b>98,150</b>		

(7) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Amit Anil Rajee	7,400	10	10
2.	Mrs. Arati Nath	7,400	10	10
3.	Mrs. Poonam Jaideep Mulherkar	7,400	10	10
4.	Ms. Smita Ramesh	500	10	10
5.	Mr. Vinod Ramesh	500	10	10
6.	Mr. Anant Belose	200	10	10
7.	Mr. Ramanlal Mistry	200	10	10
8.	Mr. Nadan Judeja	200	10	10
9.	Mr. Bastimal Oswal	200	10	10
10.	Mr. Shantilal	400	10	10
11.	Mr. Ajay kumar	200	10	10
12.	Ms. Suneeta Sateesh	200	10	10
13.	Mr. Ashok Hundia	200	10	10
14.	Mr. Praveen Patel	200	10	10
15.	Mr. Somji Patel	200	10	10
16.	Mr. Dilip Patel	200	10	10
17.	Mr. Vijay Ben Patel	200	10	10
18.	Mr. Narendra Patel	200	10	10
19.	Mr. M V Manjunatha	200	10	10
20.	Mr. Bhagawanji Patel	200	10	10
21.	Mr. Chadulal Gajjar	200	10	10
22.	Mr. K R Satishkumar	200	10	10
23.	Mr. S Krishna	200	10	10
24.	Mr. Chandrashekar Hadagali	200	10	10
25.	Mr. Amrut Jain	200	10	10
26.	Mr. Naresh Jain	200	10	10
27.	Mr. Mangla Pedharkar	200	10	10
28.	Mr. Sanjay Ramool	200	10	10
29.	Mr. Bhavin Shah	200	10	10
30.	Mr. Singhi Narendra	200	10	10
31.	Ms. Shah Jagruti	200	10	10
32.	Ms. Manulaben Shah	200	10	10
33.	Ms. Harsha Praful	200	10	10
34.	Ms. Praful Varjivandas	200	10	10
35.	Ms. Laxmi Shah	1,000	10	10
36.	Mr. Randeria Ratilal	200	10	10
37.	Mr. Nitin Khanna	200	10	10
38.	Ms. Purshai Jankidas	200	10	10
39.	Mr. Raju Gupta	200	10	10
40.	Ms. Shah Ranji	200	10	10
41.	Ms. Samani Nandikishore	200	10	10
42.	Mr. Radhakrishnan	200	10	10
43.	Mr. Sunil Kambli	200	10	10
44.	Lata Dave	200	10	10
45.	Mr. Girdhar Shetty	200	10	10
46.	Mr. Maqbool Sayad	200	10	10
47.	Mr. Randeria Ratilal	200	10	10

48.	Mr. Lalit Kumar	200	10	10
49.	Mr. Chunnihal Shah	200	10	10
50.	Mr. Jaysukh Shah	200	10	10
51.	Mr. Arun Ramdas	200	10	10
52.	Mr. Premji Shah	200	10	10
53.	Ms. Nooroonisa Gulam	200	10	10
54.	Mr. Gokuldas Mistry	200	10	10
55.	Mr. Vinay Bhasin	600	10	10
56.	Mr. Reema Advani	200	10	10
57.	Mr. Anirudh Muchalla	200	10	10
58.	Mr. P Dayal	200	10	10
59.	Mr. P V Shankara	200	10	10
60.	Ms. Nafisa Bohra	200	10	10
61.	Ms. Chanchal Devi	200	10	10
62.	Mr. Pramod Agrawal	200	10	10
63.	Mr. Manoj Agrawal	200	10	10
64.	Mr. Kashmirilal Agarwal	200	10	10
65.	Mr. Pushpalata Agarwal	200	10	10
66.	Mr. Guru Govind Agarwal	200	10	10
67.	Mr. Ratanlal Agarwal	200	10	10
68.	Mr. Susheela Devi Agarwal	200	10	10
69.	Mr. Devkinandan Agarwal	200	10	10
70.	Mr. Saroj Devi Agrawal	200	10	10
71.	Mr. Shyam Sunder Agrawal	200	10	10
72.	Ms. Sunita Devi Agrwal	200	10	10
73.	Mr. Gopichand Agrawal	200	10	10
74.	Mr. Jainarayan Mantri	200	10	10
75.	Mr. Sunil Kumar Sethiya	200	10	10
76.	Mr. Shantilal	200	10	10
77.	Mr. Narendra Kumar Agrawal	200	10	10
78.	Ms. Basanti Agarwal	200	10	10
79.	Mr. Hirala Bharati	200	10	10
80.	Ms. Mohini Devi	200	10	10
81.	Mr. Bherulal Salecha	200	10	10
82.	Mr. Dalpatraj Salecha	200	10	10
83.	Mr. Sumermal Sulecha	200	10	10
84.	Mr. Sureh Gothiecha	200	10	10
85.	Mr. Mahaveerchand Chopra	200	10	10
86.	Ms. Anitha Devi	200	10	10
87.	Mr. Sunil Mirpuri	200	10	10
88.	Mr. Ishwar Chellan	200	10	10
89.	Mr. Ramesh Makhija	200	10	10
90.	Mr. Kanchan Makhija	200	10	10
91.	Ms. Priya Punjabi	200	10	10
92.	Mr. Premchand Ghtwat	200	10	10
93.	Mr. Davinder Grover	200	10	10
94.	Mr. Sudhir Kumar Agarwal	500	10	10
95.	Mr. Ravinder Phull	500	10	10
96.	Mr. Rajesh Kumar Chirania	200	10	10
97.	Mr. Hemlata Wani	200	10	10
98.	Mr. Jugal Kishore Bakkad	200	10	10

99.	Mr. Manishkumar Patni	200	10	10
100.	Ms. Lata Sureshchandra	200	10	10
101.	Mr. Himat Lal Doshi	200	10	10
102.	Mr. Nirmalkumar Shah	200	10	10
103.	Mr. Mitesh Shah	200	10	10
104.	Mr. Arvind Kumar	200	10	10
105.	Mr. Kailash Chandra	200	10	10
106.	Mr. Deviprasad Agarwal	200	10	10
107.	Mr. Arun Kumar	200	10	10
108.	Mr. Anup Kumar	200	10	10
109.	Mr. Pradeep Agarwal	400	10	10
110.	Mr. Rajendra Kumar Agarwal	200	10	10
111.	Mr. Harivansh Tiwari	200	10	10
112.	Mr. Narayan Prashad	200	10	10
113.	Ms. Archana Singh	400	10	10
114.	Mr. Mukesh Mehta	200	10	10
115.	Mr. Manuel Silveria	200	10	10
116.	Ms. Kamala Gupta	200	10	10
117.	Mr. Naresh Jain	200	10	10
118.	Mr. Punamchand Jain	200	10	10
119.	Mr. Vijay Jadhav	200	10	10
120.	Ms. Poonam Wagle	200	10	10
121.	Mr. Champalal	200	10	10
122.	Mr Anthony John	200	10	10
123.	Ms. Prabhaben Shantilal Furia	200	10	10
124.	Mr. Shantilal Furia	200	10	10
125.	Mr. Ranjana Mahajan	200	10	10
126.	Mr. Jayesh Shah	200	10	10
127.	Mr. Sunil Makhija	200	10	10
128.	Mr. Mahesh Kumar	200	10	10
129.	Mr. Bhuvaneshwar Joshi	200	10	10
130.	Mr. Gulabchand Jain	200	10	10
131.	Mr. Manoj Kumar Jain	200	10	10
132.	Mr. Dilip Shah	200	10	10
133.	Mr. Suresh Rathi	200	10	10
134.	Mr. Shah Bharat	200	10	10
135.	Mr. Ronak Shah	200	10	10
136.	Mr. Manoj Agarwal	200	10	10
137.	Mr. Sanjay Taori	200	10	10
138.	Mr. Tilottoma Agrawal	200	10	10
139.	Mr. Suresh Zawar	200	10	10
140.	Ms. Hema Rao	200	10	10
141.	Mr. Hemant Zawar	200	10	10
142.	Mr. Prakashchand Jain	200	10	10
143.	Mr. Chandrakant Jain	200	10	10
144.	Mr. Madhavi Mantri	200	10	10
145.	Mr. Usmn Gani Hussain	200	10	10
146.	Mohd Yusuf Husain	200	10	10
147.	Mohd Salim	200	10	10
148.	Mr. A k Agrawal	200	10	10
149.	Mr. Bansilal Dangre	200	10	10

150.	Ms. Prerna Nevatita	200	10	10
151.	Ms. Harshida Keria	200	10	10
152.	Ms. G Venkatesh Babu	200	10	10
153.	Mr. Srinivas Pathak	200	10	10
154.	Ms. Padma Pathak	200	10	10
155.	Mr. Bhikamchand Manot	200	10	10
156.	Mr. Bastimal Oswal	400	10	10
157.	Mr. Neeta Ashok Raykar	200	10	10
158.	Mr. Lakhotiya Ramesh Ramdayal	200	10	10
159.	Mr. Kantiben Shah	200	10	10
160.	Mr. Anubha Jadeja	200	10	10
161.	Mr. Basantilal Jain	200	10	10
162.	Mr. Saremaljik Jain	200	10	10
163.	Mr. Ramesh Chandla	200	10	10
164.	Mr. Tansuk Jain	200	10	10
165.	Ms. Pinkey Jain	200	10	10
166.	Ms. Hemlata	200	10	10
167.	Mr. Hastmal Pratapchandji	200	10	10
168.	Mr. Vijaywanth Kumar Jain	200	10	10
169.	Mr. Suresh Kumar Jain	200	10	10
170.	Mr. Girish Kumar Jain	200	10	10
171.	Mr. Jeetendra Kumar Jain	200	10	10
172.	Mr. Manish Mehta	200	10	10
173.	Ms. Priti Mehta	200	10	10
174.	Mr. Manoj Mehta	200	10	10
175.	Mr. Ashok Kumar	200	10	10
176.	Mr. Mohanlal Mehta	200	10	10
177.	Mr. Manish Mehta	200	10	10
178.	Mr. Malathy Selvaraj	200	10	10
179.	Mr . Selvaraj	200	10	10
180.	Ms. Taranjitkaur Khalsa	200	10	10
181.	Ms. Gope Jagtiani	200	10	10
182.	Mr. Sujitsingh Khalsa	200	10	10
183.	Mr. Patwardhan Vinayak	200	10	10
184.	Mr. Kamal Gaikwad	200	10	10
185.	Ms. Vimal Binaykiya	200	10	10
186.	Mr. Anil Jagtiani	200	10	10
187.	Ms. Veena Jagtiani	200	10	10
188.	Ms. Divya Rajesh Thakkar	200	10	10
189.	Mr. Venkatesh Poova	200	10	10
190.	Ms. Nilofer Reporter	200	10	10
191.	Mr. Shailesh Patel	1,000	10	10
192.	Ms. Beena Patel	1,000	10	10
193.	Mr Lalan Prasad	500	10	10
194.	Mr. Kestreddy Narendra Reddy	500	10	10
195.	Mr. Kestreddy Jayashi	1,000	10	10
196.	Mr. Rakesh Jain	200	10	10
197.	Mr. Alok Kumar	200	10	10
198.	Ms. Ria Mishra	200	10	10
199.	Mr. K Mohan Kumar	200	10	10
200.	Mr. Yogesh Thakkar	200	10	10

201.	Ms. Amba Rao	200	10	10
202.	Ms. Madhoosadan Rao	200	10	10
203.	Ms. Jyothi Rao	200	10	10
204.	Mr. Puroshottam Samant	200	10	10
205.	Ms. Meena Patel	200	10	10
206.	Ms. Manju Jain	200	10	10
207.	Mr. Pravin Shah	200	10	10
208.	Mr. V Neelavathy	200	10	10
209.	Mr. Madan Kole	200	10	10
210.	Mr. Subrata Chateerjee	200	10	10
211.	Mr. Barin Karmokar	200	10	10
212.	Mr. Abbasuddin	200	10	10
213.	Mr. Parth Chopra	200	10	10
214.	Dr Rajesh Verma	500	10	10
215.	Mr. V Ramchandran	500	10	10
216.	Mr. R Thanaraiselvi	500	10	10
217.	Mr. Nitesh Agarwal	500	10	10
218.	Mr. Laj Kumar	500	10	10
219.	Mr. Jones John Pereira	600	10	10
220.	Mr. S Nagareddy	500	10	10
221.	Mr. D M Amaresh	500	10	10
222.	Mr. Mukesh Rasiklal Vasa	200	10	10
223.	Mr. Rajendra Bavishi	200	10	10
224.	Mr. Pervez Anwer	200	10	10
225.	Mr. Chetankumar Mehta	200	10	10
226.	Mr. M D Alangir	200	10	10
227.	Mr. Lalitkumar Ojha	200	10	10
228.	Mr. Ajay Shantilal	200	10	10
229.	Mr. Narayan Shah	200	10	10
230.	Mr. Swapan Kumar Shah	200	10	10
231.	Mr. Kishore Umar	200	10	10
232.	Mr. Tarulata Ranpara	200	10	10
233.	Mr Anil Kumar	200	10	10
234.	Mr. Usha Prasad	200	10	10
235.	Mr. Manish Vasa	200	10	10
236.	Mr. Ravindra Shah	200	10	10
237.	Mr. Prataprai Vithlani	200	10	10
238.	Mr. Paresh Mehta	200	10	10
239.	Mr. Tejal Mehta	200	10	10
240.	Ms. Meena Desai	200	10	10
241.	Ms. Harsha Mehta	200	10	10
242.	Ms. Mala Mehta	200	10	10
243.	Mr. Gopal Rao	200	10	10
244.	Ms. Usha Dave	500	10	10
245.	Ms. Bharat Damani	200	10	10
246.	Mr. Richard John Periera	200	10	10
247.	Mr. Tushar Upadhayaya	200	10	10
248.	Mr. Patel Chetan	400	10	10
249.	Mr. Thakker Amrutlal	200	10	10
250.	Mr. Thakkar Ajay	200	10	10
251.	Mr. Badade Sunil	200	10	10

252.	Mr. Tathode Shirish	200	10	10
253.	Mr. Parashar Atul	200	10	10
254.	Mr. Thakker Amrutlal	200	10	10
255.	Mr. Patel Chetan	200	10	10
256.	Mr. Gangar Vipul	200	10	10
257.	Mr. Anil Lohiya	200	10	10
258.	Ms. Kamdar Sunita	200	10	10
259.	Mr. Kamdar Arun	200	10	10
260.	Mr. Kishori Ajit Pradhan	2,500	10	10
261.	Mr. Pradeep Narkhede	200	10	10
262.	Mr. Manik Naik	500	10	10
263.	Mr. Gopal Krishna Mehta	2,500	10	10
264.	Ms. Meenal Mehta	1,500	10	10
265.	Mr. Kailash Dhagat	1,000	10	10
266.	Mr. D R Naik	700	10	10
267.	Mr. Amrut G. Baua	500	10	10
268.	Mr. Dattatray Raje	1,900	10	10
269.	Mr. Vasumati Raje	1,900	10	10
270.	Mr. Laxmikant Kurode	500	10	10
271.	Mr. Bhagirath Patidar	1,200	10	10
	<b>Total</b>	<b>97,500</b>		

<sup>(8)</sup> The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	23,000	10	10
2.	Mrs. Chhaya Anil Raje	17,000	10	10
3.	Mr. Amit Anil Raje	84,000	10	10
4.	Mr. Shashikant Digambar Kulkarni	20,000	10	10
	<b>Total</b>	<b>1,44,000</b>		

<sup>(9)</sup> The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	1,353	10	10
2.	Mrs. Chhaya Anil Raje	1,200	10	10
3.	Mr. Amit Anil Raje	1,200	10	10
4.	Mr. Shashikant Digambar Kulkarni	1,200	10	10
	<b>Total</b>	<b>4,953</b>		

<sup>(10)</sup> The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	91,187	10	10
2.	Mrs. Chhaya Anil Raje	37,550	10	10
3.	Mr. Amit Anil Raje	1,700	10	10
4.	Mr. Shashikant Digambar Kulkarni	51,640	10	10
5.	Mr. Pradeep Narkhede	420	10	10
6.	Mr. Nikodim Minj	100	10	10

7.	Mr. Kapil Thakur	100	10	10
8.	Mr. Rohit Thakur	100	10	10
9.	Mr. Kamal Swaroop	100	10	10
10.	Mr. Bhagmal Maran	100	10	10
11.	Ms. Kanchan Thakur	100	10	10
12.	Ms. Hemlata Patil	100	10	10
13.	Mr. Manish Giri	100	10	10
14.	Ms. Shruti Shrivastava	100	10	10
15.	Mr. Sanjay Potpate	100	10	10
16.	Mr. Gopal Prasad Tiwari	100	10	10
17.	Mr. Dheer Singh Maran	100	10	10
	<b>Total</b>	<b>183,697</b>		

(11) The details of Bonus in the ratio 1:6 are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	10,02,000	10	10
2.	Ms. Chhaya Anil Raje	6,00,000	10	10
3.	Mrs. Arati Nath	6,60,000	10	10
4.	Mrs. Poonam Jaideep Mulherkar	57,540	10	10
5.	Ms. Poonam Raje	60,000	10	10
6.	Mr. Vivek J. Dikey	38,340	10	10
7.	Mr. Arun Wadia	30,000	10	10
8.	Mr. Shashikant Digambar Kulkarni**	7,02,000	10	10
9.	Mr. Sunil Mirpuri	1200	10	10
10.	Mr. Sudhir Kumar Agarwal	1200	10	10
11.	Mr. Ravinder Phull	3000	10	10
12.	Mr. Srinivas Pathak	1200	10	10
13.	Ms. Padma Pathak	1200	10	10
14.	Mr. Richard John Periera	1200	10	10
15.	Mr. Pradeep Narkhede	3720	10	10
16.	Mr. Nikodim Minj	600	10	10
17.	Mr. Kapil Thakur	600	10	10
18.	Mr. Rohit Thakur	600	10	10
19.	Mr. Kamal Swaroop	600	10	10
20.	Mr. Bhagmal Maran	600	10	10
21.	Mr. Kanchan Thakur	600	10	10
22.	Ms. Hemlata Patil	600	10	10
23.	Mr. Manish Giri	600	10	10
24.	Ms. Shruti Shrivastava	600	10	10
25.	Mr. Sanjay Potpate	600	10	10
26.	Mr. Gopal Prasad Tiwari	600	10	10
27.	Mr. Dheer Singh Maran	600	10	10
	<b>Total</b>	<b>31,69,800</b>		

Note:

\* The Equity Shares Alloted to Mr. Vivek J. Dikey was 38,340 Shares, but due to typing error it was written as 32,340 in the form which was filed by the company to Register of Company.

\*\* The Equity Shares Alloted to Mr. Shashikant Digambar Kulkarni was 7,02,000 Shares, but due to typing error it was written as 7,02,120 in the form which was filed by the company to Register of Company

(12) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Kritarth Shrivastava	100	10	10
2.	Ms. Suhas Pachkhede	100	10	10
3.	Mr. Sameer Patwardhan	100	10	10
4.	Mr. Angraj Maran	100	10	10
5.	Mr. Arun Sharma	100	10	10
6.	Mr. Jai Prakash Meena	100	10	10
7.	Mr. Bunty Maran	100	10	10
8.	Mr. Venkatesh R. Iyer	700	10	10
<b>Total</b>		<b>1,400</b>		

(13) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Ms. Richa Mathur	100	10	10
2.	Ms. Sanjeevani Shahpurkar	100	10	10
3.	Mr. Ullhas R. Apte	100	10	10
4.	Mr. Vivek Ghanekar	100	10	10
<b>Total</b>		<b>400</b>		

(14) The details of Bonus in the ratio 3:1 are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Anil Anant Raje	3,89,667	10	10
2.	Mrs. Chhaya Anil Raje	2,33,333	10	10
3.	Mr. Amit Anil Raje	2,55,267	10	10
4.	Mrs. Arati Nath	22,377	10	10
5.	Mrs. Poonam Jaideep Mulherkar	23,333	10	10
6.	Mr. Vivek J. Dikey	14,910	10	10
7.	Mr. Arun Wadia	11,667	10	10
8.	Mr. Shashikant Digambar Kulkarni	2,73,000	10	10
9.	Mr. Sunil Mirpuri	467	10	10
10.	Mr. Sudhir Kumar Agarwal	467	10	10
11.	Mr. Ravinder Phull	1,167	10	10
12.	Mr. Srinivas Pathak	933	10	10
13.	Mr. Richard John Periera	467	10	10
14.	Mr. Pradeep Narkhede	1,680	10	10
15.	Mr. Nikodim Minj	233	10	10
16.	Mr. Kapil Thakur	233	10	10
17.	Mr. Rohit Thakur	233	10	10
18.	Mr. Kamal Swaroop	233	10	10
19.	Mr. Kanchan Thakur	233	10	10
20.	Ms. Hemlata Patil	233	10	10
21.	Mr. Manish Giri	233	10	10
22.	Ms. Shruti Shrivastava	233	10	10
23.	Mr. Sanjay Potpate	233	10	10
24.	Mr. Gopal Prasad Tiwari	233	10	10

25.	Mr. Dheer Singh Maran	233	10	10
26.	Mr. Kritarth Shrivastava	33	10	10
27.	Mr. Suhas Pachkhede	33	10	10
28.	Mr. Sameer Patwardhan	33	10	10
29.	Mr. Angraj Maran	33	10	10
30.	Mr. Arun Sharma	33	10	10
31.	Mr. Jai Prakash Meena	33	10	10
32.	Mr. Bunty Maran	33	10	10
33.	Mr. Venkatesh R. Iyer	233	10	10
34.	Ms. Richa Mathur	33	10	10
35.	Ms. Sanjeevani Shahpurkar	33	10	10
36.	Mr. Ullhas R. Apte	33	10	10
37.	Mr. Vivek Ghanekar	33	10	10
38.	Mr. Jones John Pereira	1,400	10	10
	<b>Total</b>	<b>12,33,294</b>		

(15) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Syed Sohail Hussain	100	10	10
2.	Mr. Debasis Barik	100	10	10
3.	Mr. Nikhil Agarwal	100	10	10
4.	Mr. Dinesh Sahu	100	10	10
5.	Mr. Vivek Attri	100	10	10
6.	Mr. Raju Maran	100	10	10
7.	Mr. Vijendra Lohwanshi	100	10	10
8.	Mr. Ashok Kumar	100	10	10
9.	Mr. JaiPrakash	100	10	10
10.	Mr. Prem Narayan Mehra	100	10	10
	<b>Total</b>	<b>1,000</b>		

(16) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Gabbar Maran	100	10	10
2.	Mr. Mudassar Hussain	100	10	10
3.	Mr. Prabhat Jauhari	100	10	10
4.	Mr. Brijesh Lohwanshi	100	10	10
5.	Mr. Shubham Chauhan	100	10	10
6.	Mr. Sanjeev Kumar	100	10	10
7.	Ms. Priya Mahajan	100	10	10
8.	Ms. Namita Gupta	100	10	10
9.	Mr. Bhupendra Singh	100	10	10
10.	Mr. Kammod Yadav	100	10	10
11.	Mr. Kamlesh Khare	100	10	10
12.	Mr. Nitisha Tiwari	100	10	10
13.	Ms. Sunita Mehra	100	10	10
14.	Mr. Alok Jha	100	10	10
15.	Mr. Kamal Lovanshi	100	10	10

16.	Mr. Amit Yadav	100	10	10
17.	Mr. Ajay Lodhi	100	10	10
18.	Mr. Shrikant Karambelkar	100	10	10
19.	Mr. Manoj Bagour	100	10	10
<b>Total</b>		<b>1,900</b>		

(17) The details of allotment are as follows:

Sr. No.	Name of Allottee	No. of Shares Allotted	Face Value per share (in Rs.)	Issue Price per share (in Rs.)
1.	Mr. Pradeep Narkhede	200	10	10
2.	Mr. Kapil Thakur	240	10	10
3.	Mr. Rohit Thakur	240	10	10
4.	Mr. Kamal Swaroop	220	10	10
5.	Ms. Hemlata Patil	200	10	10
6.	Mr. Vivek Ghanekar	550	10	10
7.	Mr. Debasis Barik	400	10	10
8.	Mr. Dinesh Sahu	100	10	10
9.	Mr. Vivek Attri	400	10	10
10.	Mr. Ashok Kumar	200	10	10
11.	Mr. Jai Prakash	200	10	10
12.	Mr. Prabhat Jauhari	100	10	10
13.	Ms. Priya Mahajan	50	10	10
14.	Ms. Namita Gupta	100	10	10
15.	Ms. Nitisha Tiwari	400	10	10
16.	Mr. Alok Jha	350	10	10
17.	Mr. Amit Yadav	50	10	10
<b>Total</b>		<b>4,000</b>		

Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 391 to 394 of the Companies Act, 1956 and/or under Section 230 to 234 of the Companies Act, 2013.

## 2. Share Capital Build-up of our Promoters & Lock-in:

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

Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Consideration	Number of shares	Cumulative No. of Equity Shares	Face Value	Issue/ Transfer Price	% of Pre Issue Capital	% of post issue Capital	Lock in Period
<b>Mr. Anil Anant Raje</b>									
24 <sup>th</sup> , Aug., 1982	Subscriber to Memorandum	100	1	1	100	100	Negligible	Negligible	
25 <sup>th</sup> , Oct., 1985	Further Allotment	36,500	365	366	100	100	Negligible	Negligible	
29 <sup>th</sup> , Jan., 1986	Further Allotment	6,500	65	431	100	100	Negligible	Negligible	
20 <sup>th</sup> , Jun., 1989	Further Allotment	1,000	10	441	100	100	Negligible	Negligible	
11 <sup>th</sup> , Aug., 1991	Further Allotment	26,000	260	701	100	100	Negligible	Negligible	
3 <sup>rd</sup> , Jan., 1992*	Transfer (Acquisition)	12,000	120	821	100	100	Negligible	Negligible	

Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Consideration	Number of shares	Cumulative No. of Equity Shares	Face Value	Issue/ Transfer Price	% of Pre Issue Capital	% of post issue Capital	Lock in Period
1993-1994	Sub-Division	-	-	8210	10	10	-	-	
05 <sup>th</sup> , May, 1994*	Transfer (Acquisition)	75,000	7,500	15,710	10	10	0.15	0.11	
17 <sup>th</sup> , Oct., 2004	Further Allotment	2,30,000	23,000	38,710	10	10	0.47	0.33	
30 <sup>th</sup> , Nov., 2005*	Transfer (Acquisition)	3,57,500	35,750	74,460	10	10	0.72	0.51	
25 <sup>th</sup> , Feb., 2008	Further Allotment	13,530	1,353	75,813	10	10	0.03	0.03	
20 <sup>th</sup> , Jun., 2009	Further Allotment	9,11,870	91,187	1,67,000	10	10	1.85	1.29	
20 <sup>th</sup> , Jul., 2009	Bonus Issue (1:6)	-	10,02,000	11,69,000	10	10	20.29	14.19	
30 <sup>th</sup> , Sep., 2010	Bonus Issue (3:1)	-	3,89,667	15,58,667	10	10	7.89	5.52	
	<b>Total</b>	<b>16,70,000</b>		<b>15,58,667</b>			<b>31.50</b>		

\*Note: Information pertaining to share transfers made is based on Statutory Registers maintained by the Company.

Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Consideration	Number of shares	Cumulative No. of Equity Shares	Face Value	Issue/ Transfer Price	% of Pre Issue Capital	% of post issue Capital	Lock in Period
<b>Mrs. Chhaya Rajee</b>									
24 <sup>th</sup> , Aug., 1982	Subscriber to Memorandum	100	1	1	100	100	Negligible	Negligible	
25 <sup>th</sup> , Oct., 1985	Further Allotment	16,900	169	170	100	100	Negligible	Negligible	
29 <sup>th</sup> , Jan., 1986	Further Allotment	1,700	17	187	100	100	Negligible	Negligible	
11 <sup>th</sup> , Aug., 1991	Further Allotment	38,500	385	572	100	100	Negligible	Negligible	
1993-1994	Sub-Division	-	-	5,720	10	10	-	-	
05 <sup>th</sup> , May, 1994*	Transfer (Acquisition)	49,900	4,990	10,710	10	10	0.10	0.10	
17 <sup>th</sup> , Oct., 2004	Further Allotment	1,70,000	17,000	27,710	10	10	0.34	0.24	
30 <sup>th</sup> , Nov., 2005*	Transfer (Acquisition)	3,35,400	33,540	61,250	10	10	0.68	0.48	
25 <sup>th</sup> , Feb., 2008	Further Allotment	12,000	1,200	62,450	10	10	0.02	0.02	
20 <sup>th</sup> , Jun., 2009	Further Allotment	3,75,500	37,550	1,00,000	10	10	0.76	0.53	
20 <sup>th</sup> , Jul., 2009	Bonus Issue (1:6)	-	6,00,000	7,00,000	10	10	12.15	8.50	
30 <sup>th</sup> , Sep., 2010	Bonus Issue (3:1)	-	2,33,333	9,33,333	10	10	4.72	3.30	
	<b>Total</b>	<b>10,00,000</b>		<b>9,33,333</b>			<b>18.89</b>	<b>13.22</b>	

\*Note: Information pertaining to share transfers made is based on Statutory Registers maintained by the Company.

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20.20% of the Post-Issue Equity Share Capital of our Company i.e. 14,28,000 equity shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of commencement of commercial production or date of allotment in the proposed public issue, whichever is later and the last date of lock-in shall be reckoned as three years from the actual date of commencement of Lock-in period. (“**Minimum Promoters’ contribution**”).

The Promoters’ contribution has been brought into to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoter for the lock-in of 14,28,000 Equity Shares for 3 year.

We confirm that the minimum Promoters’ contribution of 20.20% Of the Post Issue Capital of our Company which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;
- Equity Shares acquired by Promoter during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue; or equity shares pledged with any creditor.
- Further, our Company has not been formed by the conversion of a partnership firm into a company and no Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and/or under Section 230 to 234 of the Companies Act, 2013.

### 3. Equity Shares locked-in for one year

In addition to 20.20% of the post-issue capital of our Company which shall be locked-in for three years as the Minimum Promoters’ Contribution, the balance Pre-Issue Paid-up Equity Share Capital of our Company i.e. 35,12,094 Equity Shares will be locked-in for a period of one year from the date of allotment in the proposed Initial Public Offer.

### 4. Other requirements in respect of ‘Lock-in’

In terms of 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, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the followings:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI ICDR Regulations and the

pledge of specified securities is one of the terms of sanction of the loan.

5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
7. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

## **5. Our shareholding pattern**

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

(i) Summary of Shareholding Pattern

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No of fully paid-up equity shares held (IV)	No of Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								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 eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	5	36,97,890	0	0	36,97,890	74.85	36,97,890	0	36,97,890	74.85	0	74.85	0	0	0	0	0
(B)	Public	60	12,42,204	0	0	12,42,204	25.15	12,42,204	0	12,42,204	25.15	0	25.15	0	0	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**i. Shareholding Pattern of the Promoter and Promoter Group**

	Category & Name of the shareholders (I)	PAN* (II)	Nos of shareholder (III)	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI I)+(X) as a % of (A+B+C 2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class X	Class Y	Total								
(1)	<b>Indian</b>	-	<b>5</b>	<b>36,97,890</b>	<b>0</b>	<b>0</b>	<b>36,97,890</b>	<b>74.85</b>	<b>36,97,890</b>	<b>0</b>	<b>36,97,890</b>	<b>74.85</b>	<b>0</b>	<b>74.85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(a)	<b>Individuals/H.U.F</b>	-	-																
1.	Mr. Anil Anant Raje	-	-	15,58,667	0	0	15,58,667	31.55	15,58,667	0	15,58,667	31.55	0	31.55	0	0	0	0	0
2.	Mrs. Chhaya Raje	-	-	9,33,333	0	0	9,33,333	18.89	9,33,333	0	9,33,333	18.89	0	18.89	0	0	0	0	0
3.	Mr. Amit Anil Raje	-	-	10,21,067	0	0	10,21,067	20.67	10,21,067	0	10,21,067	20.67	0	20.67	0	0	0	0	0
4.	Mrs. Poonam Jaideep Mulherkar	-	-	93,333	0	0	93,333	1.89	93,333	0	93,333	1.89	0	1.89	0	0	0	0	0
5.	Mrs. Aarti Nath	-	-	91,490	0	0	91,490	1.85	91,490	0	91,490	1.85	0	1.85	0	0	0	0	0
(b)	<b>Central/State Government(s)</b>	-	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(c)	<b>Financial Institutions/Banks</b>	-	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(d)	Any Other (Specify)	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub- Total (A)(2)</b>	-	5	36,97,890	0	0	36,97,890	74.85	36,97,890	0	36,97,890	74.85	0	74.85	0	0	0	0	-
(2)	<b>Foreign</b>																		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub- Total (A)(2)</b>	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	-	5	36,97,890	0	0	36,97,890	74.85	36,97,890	0	36,97,890	74.85	0	74.85	0	0	0	0	-

\* PAN will not be disclosed as per direction by SEBI.

ii. Shareholding Pattern of our Public Shareholder

Category & Name of the shareholders (I)	PAN (II)	Nos of share holder (III)	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares under lying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares as a % of Outstanding Voting Rights (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		As a % of total shares held (Not applicable) (a)	Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights					Total	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		
								Class X	Class Y	Total								
(1) Institutions																		

(a)	Mutual Fund/UTI	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(f)	Financial Institutions Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(h)	Provident Funds/Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	<b>Sub- Total (B)(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	NA	<b>0</b>
(2)	<b>Central Government/ State Government(s)/President of India</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	<b>Sub- Total (B)(2)</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	NA	<b>0</b>
(3)	<b>Non-Institutions</b>																		
(a)	<b>Individuals - i. Individual shareholders</b>	-	<b>1</b>	<b>10,92,000</b>	<b>0</b>	<b>0</b>	<b>10,92,000</b>	<b>22.10</b>	<b>10,92,000</b>	<b>0</b>	<b>10,92,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	NA	<b>0</b>

	holding nominal share capital up to Rs.2 Lacs.																		
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs.	-	54	1,50,204	0	0	1,50,204	3.04	1,50,204	0	1,50,204	0	0	0	0	0	NA	0	
(b)	NBFCs registered with RBI	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(c)	Employee Trust	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(e)	Any Other (Specify)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
	<b>Sub- Total (B)(3)</b>	-	55	12,42,204	0	0	12,42,204	25.15	12,42,204	0	12,42,204	0	0	0	0	0	NA	0	
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	-	55	12,42,204	0	0	12,42,204	25.15	12,42,204	0	12,42,204	0	0	0	0	0	NA	0	

Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder

	Category & Name of the shareholders (I)	P A N (II)*	Nos of shareholder (III)	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No.	As a % of total shares held	No. (Not applicable)		As a % of total shares held (Not applicable)
									Class : X	Class : Y	Total								
(1)	<b>Custodian/DR Holder</b>	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Name of DR Holder (If available)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub total (C) (1)</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2)	<b>Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)</b>	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub total (C) (2)</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

6. The shareholding pattern of our Promoter and Promoter Group before and after the Issue:

Sr. No.	Name of share holder	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
<b>A. Promoters</b>					
1.	Mr. Anil Anant Rajee	15,58,667	31.55	15,58,667	22.08
2.	Mrs. Chhaya Anil Rajee	9,33,333	18.89	9,33,333	13..22
<b>Total - A</b>		<b>2,49,2000</b>	<b>50.44</b>	<b>2,49,2000</b>	<b>35.30</b>
<b>B. Promoter Group</b>					
3.	Mr. Amit Anil Rajee	10,21,067	20.67	10,21,067	14.46
4.	Mrs. Arati Nath	91,490	1.85	91,490	1.30
5.	Mrs. Poonam Jaideep Mulherkar	93,333	1.89	93,333	1.32
<b>Total – B</b>		<b>12,05,890</b>	<b>24.41</b>	<b>12,05,890</b>	<b>17.08</b>
<b>Total Promoters and Promoter Group (A+B)</b>		<b>36,97,890</b>	<b>74.85</b>	<b>36,97,890</b>	<b>52.38</b>
<b>C. Public</b>					
6.	Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10	10,92,000	15.47
7.	Mr. Vivek J. Dikey	59,640	1.21	59,640	0.84
8.	Mr. Arun Wadia	46,667	0.94	46,667	0.66
9.	Mr. Sunil Mirpuri	1,867	0.04	1,867	0.03
10.	Mr. Sudhir Kumar Agarwal	1,867	0.04	1,867	0.03
11.	Mr. Ravinder Phull	4,667	0.09	4,667	0.07
12.	Ms. Padma Pathak	3,733	0.08	3,733	0.05
13.	Mr. Richard John Periera	1,867	0.04	1,867	0.03
14.	Mr. Pradeep Narkhede	7,120	0.14	7,120	0.10
15.	Mr. Kapil Thakur	1,173	0.02	1,173	0.02
16.	Mr. Nikodim Minj	933	0.02	933	0.01
17.	Mr. Rohit Thakur	1,173	0.02	1,173	0.02
18.	Mr. Kamal Swaroop	1,153	0.02	1,153	0.02
19.	Mr. Kanchan Thakur	933	0.02	933	0.01
20.	Mr. Manish Giri	933	0.02	933	0.01
21.	Mr. Shruti Shrivastava	933	0.02	933	0.01
22.	Mr. Sanjay Potpite	1,033	0.02	933	0.01
23.	Mr. Gopal Prasad Tiwari	933	0.02	933	0.01
24.	Mr. Dheer Singh Maran	933	0.02	933	0.01
25.	Mr. Kritarth Shrivastava	133	Negligible	133	Negligible
26.	Mr. Suhas Pachkhede	133	Negligible	133	Negligible
27.	Mr. Sameer Patwardhan	133	Negligible	133	Negligible
28.	Mr. Angraj Maran	133	Negligible	133	Negligible
29.	Mr. Arun Sharma	133	Negligible	133	Negligible
30.	Mr. Jai Prakash Meena	133	Negligible	133	Negligible
31.	Mr. Buntly Maran	133	Negligible	133	Negligible
32.	Mr. Venkatesh R. Iyer	933	0.02	933	0.01
33.	Ms. Richa Mathur	133	Negligible	133	Negligible
34.	Ms. Sanjeevani Shahpurkar	133	Negligible	133	Negligible
35.	Mr. Ullhas R. Apte	133	Negligible	133	Negligible
36.	Mr. Vivek Ghanekar	683	0.01	683	0.01
37.	Mr. Jonse John Pereira	5,600	0.11	5,600	0.08
38.	Mr. Syed Sohail Hussain	100	Negligible	100	Negligible

39.	Mr. Debasis Barik	500	0.01	500	0.01
40.	Mr. Nikhil Agarwal	100	Negligible	100	Negligible
41.	Mr. Dinesh Sahu	200	Negligible	200	Negligible
42.	Mr. Vivek Attri	500	0.01	500	0.01
43.	Mr. Vijendra Lohwanshi	100	Negligible	100	Negligible
44.	Mr. Ashok Kumar	300	0.01	300	Negligible
45.	Mr. Jai prakash	300	0.01	300	Negligible
46.	Mr. Gabbar Maran	100	Negligible	100	Negligible
47.	Mr. Mudassar Hussain	100	Negligible	100	Negligible
48.	Mr. Prabhat Jauhari	200	Negligible	200	Negligible
49.	Mr. Brijesh Lohwanshi	100	Negligible	100	Negligible
50.	Mr. Shubham Chauhan	100	Negligible	100	Negligible
51.	Mr. Sanjeev Kumar	100	Negligible	100	Negligible
52.	Ms. Priya Mahajan	150	Negligible	150	Negligible
53.	Ms. Nitisha Tiwari	500	0.01	500	0.01
54.	Ms. Sunita Mehra	100	Negligible	100	Negligible
55.	Mr. Alok Jha	100	Negligible	100	Negligible
56.	Mr. Amit Yadav	150	Negligible	150	Negligible
57.	Mr. Ajay Lodhi	100	Negligible	100	Negligible
58.	Mr. Shrikant Karambelkar	100	Negligible	100	Negligible
59.	Mr. S. S. Raghuwanshi	100	Negligible	100	Negligible
<b>D. Total-C</b>		<b>12,42,204</b>	<b>25.15</b>	<b>12,42,204</b>	<b>17.59</b>
<b>E. IPO</b>		-	-	<b>21,20,000</b>	<b>30.03</b>
<b>Total-D</b>		-	-	<b>21,20,000</b>	<b>30.03</b>
<b>Total Public (C+D)</b>		<b>12,42,204</b>	<b>25.15</b>	<b>33,62,204</b>	<b>47.62</b>
<b>Grand Total (A+B+C+D)</b>		<b>49,40,094</b>	<b>100.00</b>	<b>70,60,094</b>	<b>100.00</b>

7. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company may propose to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise.
8. Except as specified in this Draft Prospectus there are no such transaction(s) in our Equity Shares done during the past six months immediately preceding the date of filing this Draft Prospectus, which have been purchased/(Sold) by our Promoters, their relatives and associates, persons in promoter group (as defined under sub-clause (zb) sub-regulation (1) of Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company and their immediate relatives as defined in sub-clause (ii) of clause (zb) of sub-regulation (1) of regulation 2 of the SEBI (ICDR) Regulations, 2009;
9. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.
10. Our Company, our Promoter, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Prospectus.
11. There are no safety net arrangements for this public issue.
12. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
13. All the Equity Shares of our Company are fully paid up as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

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

**15. Equity Shares held by top ten shareholders:**

**a) Particulars of the top ten shareholders as on the date of the Draft Prospectus\*:**

Sr. No.	Name of shareholder	No of shares held	% of paid up capital
1.	Mr. Anil Anant Raje	15,58,667	31.55
2.	Mrs. Chhaya Anil Raje	9,33,333	18.89
3.	Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10
4.	Mr. Amit Anil Raje	10,21,067	20.67
5.	Mrs. Poonam Jaideep Mulherkar	93,333	1.89
6.	Mrs. Arati Nath	91,490	1.85
7.	Mr. Vivek Dikey	59,640	1.21
8.	Mr. Arun Wadia	46,667	0.94
9.	Mr. Pradeep Narkhede	7,120	0.14
10.	Mr. Jones John Pereira	5,600	0.11
<b>Total</b>		<b>49,08,917</b>	<b>99.37</b>

\*Note: Data from Annual return submitted for 2016-2017

**b) Particulars of top ten shareholders ten days prior to the date of the Draft Prospectus:**

Sr. No.	Name of shareholder	No of shares held	% of paid up capital
1.	Mr. Anil Anant Raje	15,58,667	31.55
2.	Mrs. Chhaya Anil Raje	9,33,333	18.89
3.	Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10
4.	Mr. Amit Anil Raje	10,21,067	20.67
5.	Ms. Poonam Mulherkar	93,333	1.89
6.	Mrs. Arati Nath	91,490	1.85
7.	Mr. Vivek Dikey	59,640	1.21
8.	Mr. Arun Wadia	46,667	0.94
9.	Mr. Pradeep Narkhede	7,120	0.14
10.	Mr. Jones John Pereira	5,600	0.11
<b>Total</b>		<b>49,08,917</b>	<b>99.37</b>

**c) Particulars of the top ten shareholders two years prior to the date of the Draft Prospectus:**

Sr. No.	Name of shareholder	No. of shares held	% of paid up capital
1.	Mr. Anil Anant Raje	15,58,667	31.55
2.	Mrs. Chhaya Anil Raje	9,33,333	18.89
3.	Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10
4.	Mr. Amit Anil Raje	10,21,067	20.67
5.	Ms. Poonam Mulherkar	93,333	1.89
6.	Mrs. Arati Nath	91,490	1.85
7.	Mr. Vivek Dikey	59,640	1.21
8.	Mr. Arun Wadia	46,667	0.94
9.	Mr. Pradeep Narkhede	7,120	0.14
10.	Mr. Jones John Pereira	5,600	0.11
<b>Total</b>		<b>49,08,917</b>	<b>99.37</b>

16. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

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

18. 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.
19. 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.
20. We have 59 (Fifty nine) shareholders as on the date of filing of the Draft Prospectus.
21. Our Promoter and the members of our Promoter Group will not participate in this Issue.
22. Our Company has not made any public issue or right issue since its incorporation.
23. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
24. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty four hours of such transaction.
25. Except Mr. Anil Anant Raje, Managing Director who holds 15,58,667 Equity Shares, Mr. Amit Anil Raje, Whole-Time Director who holds Equity Shares, 10,21,067, Mrs. Poonam Mulherkar Non-Executive Director who holds 93,333 Equity Shares and Ms. Arati Nath Raje, Chief Executive Officer who holds 91,090 Equity Shares in our Company; none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company. For further details of holding see the chapter titled "Our Management" beginning on page no. 109 of this Draft Prospectus.

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Investment in wholly owned subsidiary company - “M/S AIC Aartech Solonics Private Limited”
2. Investment in wholly owned subsidiary company - “M/S Faradigm Ultracapacitors Private Limited”;
3. For General Corporate Expenses including Capital Expenditure & Research and Development Expenses
4. Working Capital Requirement;
5. Meeting Public Issue Expenses.

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue.

### FUND REQUIREMENTS

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

#### Requirement of Funds

(₹ In Lacs)

Sr. No.	Particulars	Amount	% of the Total Issue Size
1.	Investment in wholly owned subsidiary company - “M/s AIC - Aartech Solonics Private Limited”;	200.00	27.75
2.	Investment in wholly owned subsidiary company - “M/s Faradigm Ultracapacitors Private Limited”;	250.00	34.68
3.	For General Corporate Expenses including Capital Expenditure & Research and Development Expenses	120.80	16.76
4.	Working Capital Requirement;	100.00	13.87
5	Meeting Public Issue Expenses.	50.00	6.94
	<b>Total</b>	<b>720.80</b>	<b>100.00</b>

#### Means of Finance

(₹ In Lacs)

Sr. No.	Particulars	Amount
1.	Proceeds from Initial Public Offer	720.80
	<b>Total</b>	<b>720.80</b>

We propose to meet the requirement of funds for the stated objects of the Issue from the IPO Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition and business or strategy. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate

arrangements would be available to fund any such shortfall. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act 1956 / Companies Act, 2013.

No part of the issue proceeds will be paid as consideration to Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Investment in wholly owned subsidiary company - “ M/s AIC - Aartech Solonics Private Limited”.

M/S AIC – Aartech Solonics Private Limited, a 100% wholly owned subsidiary of Aartech Solonics Limited is engaged in the business to set up and implement the Atal Incubation Centre (AIC) in partnership with Atal Innovation Mission, NITI Aayog, with an objective of supporting innovative technology-based startup enterprises in India. M/S AIC - Aartech Solonics Private Limited. expects to issue 2,00,000, 8% Cumulative Convertible Debentures of Rs. 100/- each at par for a period of five years, aggregating to Rs. 200.00 Lacs.

Sr. No.	Particulars	Status
1.	Details of the Form of Investment	Cumulative Convertible Debentures
2.	If the form of Investment has not been decided, a statement to that effect	Not Applicable
3.	If the Investment is in debt instrument, complete details regarding, rate of Interest, time of conversion, price of instrument.	Rate of Interest : 8.00%. Issue of: 2,00,000, 8% Debentures of Rs. 100/- at par, aggregating to Rs. 200.00 Lacs. Time: 5 years
4.	If the Investment is in Equity, whether any dividends are assured	No

### 2. Investment in wholly owned subsidiary company - “M/s Faradigm Ultracapacitors Private Limited”;

M/s Faradigm Ultracapacitors Private Limited, a 100% wholly owned subsidiary of Aartech Solonics Limited is engaged in the business in research, design, development and manufacturing of energy storage devices such as Ultracapacitors (also known as Supercapacitors or electrochemical double layers capacitors) and energy storage applications.

M/s Faradigm Ultracapacitors Private Limited expects to issue 2,50,000, 8% Cumulative Convertible Debentures of Rs. 100/- each at par, for a period of five years, aggregating to Rs. 250.00 Lacs.

Sr. No.	Particulars	Status
1.	Details of the Form of Investment	Cumulative Convertible Debentures
2.	If the form of Investment has not been decided , a statement to that effect	Not Applicable
3.	If the Investment is in debt instrument, complete details regarding, rate of Interest, time of conversion, price of instrument.	Rate of Interest : 8.00%. Issue of: 250,000, 8% Debentures of Rs. 100/- at par, aggregating to Rs. 250.00 Lacs. Time: 5 years
4.	If the Investment is in Equity, whether any dividends are assured	No

### 3. To meet the Working Capital

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

(₹ In Lacs)

Particulars	Audited	Audited	Projected	Estimated
	2016-2017	2017-2018	2018-2019	2019-2020
<b>Currents Assets</b>				
Inventories	380.39	388.91	412.24	434.92

Work in Progress	-	-	-	-
Trade Receivables	316.61	345.45	366.18	387.23
Short Term Loans and Advances	96.23	18.89	20.02	21.17
Cash and Bank Balance	254.25	199.59	211.57	223.73
Other Current Assets	37.72	16.24	17.21	18.20
<b>Total (A)</b>	<b>1085.20</b>	<b>969.08</b>	<b>1027.22</b>	<b>1085.26</b>
<b>Current Liabilities</b>				
Trade Payables	148.88	48.49	50.91	53.71
Other Current Liabilities	8.51	8.18	8.59	9.06
Short Term Provisions	46.53	85.51	89.79	94.72
<b>Total (B)</b>	<b>203.92</b>	<b>142.18</b>	<b>149.29</b>	<b>157.50</b>
<b>Net Working Capital Requirement (A-B)</b>	<b>881.28</b>	<b>826.90</b>	<b>877.94</b>	<b>927.76</b>
Bank Finance, Existing Equity and Internal Accruals	<b>881.28</b>	<b>826.90</b>	<b>827.94</b>	<b>877.76</b>
<b>Incremental Working Capital through IPO Proceeds</b>	<b>-</b>	<b>-</b>	<b>51.04</b>	<b>49.82</b>

Incremental Working Capital is calculated by subtracting from the current year net working capital requirement from the previous year net working capital.

#### Assumptions for working capital requirements

Particulars	No. of days outstanding or holding level as on March 31,		F.Y. 2018-19 No. of Days (Projected)	F.Y. 2019-20 No. of Days (Estimated)	Justification for Holding
	F.Y. 2016-17	F.Y.2017-18			
<b>Trade Receivables</b>	119	107	96	87	Majority of our customer base are State Government departments who have their budget pre-sanctioned for the projects. Hence our payments are released on time as per the terms of credit. Same practice will be followed in coming years.
<b>Trade Payables</b>	52	59	58	57	Payments to Trade Payables majorly depends on the realization from receivables. Hence the average payment period is in line with the given credit terms. Same practice will be followed in coming years.

#### 4. General Corporate Expenses including Capital Expenditure & Research and Development Expenses:

The application of the Issue proceeds for general corporate purposes would include but not be restricted to financing our working capital requirements, capital expenditure, deposits for hiring or otherwise acquiring business premises, meeting exigencies, Research and Development etc. which we in the ordinary course of business may incur. Our Management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to use Rs. 120.80 Lacs for general corporate purposes, including capital expenditure and R&D expenditure

#### 5. Public Issue Expenses:

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

(₹ in Lacs)		
S. No.	Particulars	Amount
1.	Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses.	35.00
2.	Printing & Stationery and Postage Expenses	5.00
3.	Marketing and Advertisement Expenses	5.00
4.	Regulatory fees and other expenses	5.00
	<b>Total</b>	<b>50.00</b>

#### SCHEDULE OF IMPLEMENTATION

All funds raised through this issue, are proposed to be utilized in the F.Y. 2018-19 and F.Y. 2019-20 itself. Funds raised for subsidiary companies will be utilized after the issue of cumulative convertible debentures.

#### DEPLOYMENTS OF FUNDS ALREADY DEPLOYED TILL DATE:

As certified by the Auditors of our Company, viz., M/S Spark and Associates, Chartered Accountants vide its certificate dated 05<sup>th</sup>, September, 2018, the funds deployed up to 05<sup>th</sup>, September, 2018 towards the object of the Issue:

##### Details of Fund Deployment

(₹ in Lacs)		
Sr. No.	Particulars	Amount
1	Meeting Public Issue Expenses.	2.54
	<b>Total</b>	<b>2.54</b>

#### SOURCES OF FINANCING FOR THE FUNDS DEPLOYED:

As certified by the Auditors of our Company, viz., M/S Saprk and Assosiactes, Chartered Accountants vide its certificate dated 05<sup>th</sup>, September, 2018, the funds deployed up to 05<sup>th</sup>, September, 2018 towards the object of the Issue:

Sr. No.	Particulars	Amount
1	Meeting Public Issue Expenses.	2.54
	Internal Accruals	2.54

#### APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

#### BRIDGE FINANCING FACILITIES

We have currently not raised any bridge loans against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Issue Proceeds.

#### INTERIM USE OF FUNDS

Pending utilisation for the purpose described above, we intend to deposit the funds with Scheduled Commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

#### VARIATION ON OBJECTS

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Our promoter 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 prescribed by SEBI, in this regard.

#### **SHORTFALL OF FUNDS**

In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

#### **MONITORING OF ISSUE PROCEEDS**

As the size of the Issue will not exceed ₹ 10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections titled "Risk Factors" and "Auditor Report and Financial Information of our company" on page no. 9 and 130, respectively, of this Draft Prospectus to get a more informed view before making the investment decision.

### Qualitative Factors:

1. Timely completion of projects.
2. Experienced management team and skilled workforce.
3. Long term Relationship with the Clients.

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 82 of the Draft Prospectus.

### QUANTITATIVE FACTORS:

#### 1. Basic & Diluted Earnings Per Share (EPS) Standalone#:

S. No.	Financial Year/Period	Basic and Diluted EPS (in Rs.)	Weighted Average
1	Financial Year 2015-16	0.46	1
2	Financial Year 2016-17	0.61	2
3	Financial Year 2017-18	2.38	3
4	<b>Weighted Average</b>	<b>1.47</b>	

#### Basic & Diluted Earnings Per Share (EPS) Consolidated#:

S. No.	Financial Year/Period	Basic and Diluted EPS (in Rs.)	Weighted Average
1	Financial Year 2015-16	-	1
2	Financial Year 2016-17	-	2
3	Financial Year 2017-18	1.47	3
4	<b>Weighted Average</b>	<b>0.74</b>	

Note:

- The figures disclosed above are based on the restated standalone financial statements Financial Statements of the Company
- The face value of each Equity Share is ₹10.00
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Auditors Report and Financial Statements of our Company" as appearing in Annexure 129.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 34 Standalone:

S. No.	Particulars	Standalone	Consolidated
1.	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2017-18	14.29	23.13
2.	P/E ratio based on the Weighted Average EPS, as restated for FY 2017-18	23.13	45.95

#### 3. Return on Net Worth (RoNW) Standalone\*:

S. No.	Financial Year/Period	RONW (%)	Weighted Average
1	Financial Year 2015-16	1.39	1
2	Financial Year 2016-17	1.79	2
3	Financial Year 2017-18	5.45	3
4	<b>Weighted Average</b>	<b>3.55</b>	

**Return on Net Worth (RoNW) Standalone\*:**

S. No.	Financial Year/Period	RONW (%)	Weighted Average
1	Financial Year 2015-16	-	1
2	Financial Year 2016-17	-	2
3	Financial Year 2017-18	4.32	3
4	<b>Weighted Average</b>	<b>2.16</b>	

\* Restated Consolidate Profit after tax/Net Worth

**4. Minimum Return on Increased Net Worth required to maintain pre-issue Earnings Per Share Standalone:**

Particulars	Standalone	Consolidated
Earnings per Share as at 31 <sup>st</sup> , March, 2018	2.38	1.47
Minimum Return on Increased Net Worth	8.95	5.65

**5. Net Asset Value per Equity Share Standalone:**

S. No.	Particular	Standalone	Consolidated
1	As of March 31, 2016	33.33	0.00
2	As of March 31, 2017	33.94	0.00
3	As of March 31, 2018	36.26	35.42
4	NAV after Issue	25.58	25.00
	<b>Issue Price</b>	<b>34.00</b>	<b>34.00</b>

**6. Comparison of Accounting Ratios with Peer Group Companies:**

Name of the company	Standalone/ Consolidated	Face Value (Rs.)	Current Market Price (Rs.) <sup>@</sup>	EPS (Rs.) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (Rs.)	Sales (Rs. in Lakh)
<b>Aartech Solonics Limited</b>								
As at 31, March 2018	Standalone	10	34.00	2.38	14.29	5.45	36.26	1208.50
<b>Peer Group</b>								
Star Delta Transformers Limited	Standalone	10	120.00	10.72	11.19	8.20	130.80	6480.77
Transformers and Rectifiers (India) Limited	Standalone	10	17.90	9.83	1.82	3.92	250.92	80224.26

<sup>@</sup> Current Market Price (CMP) is taken as the closing price of respective scripts as on 20<sup>th</sup>, July, 2018.

<sup>^</sup> The Figures as at March 31, 2018 and are taken from the Annual Report 2017-18 filled with Exchange.

- The face value of Equity Shares of our Company is Rs. 10 per Equity Share and the Issue price is 3.4 times the face value of equity share.
- The Issue Price of Rs. 34 is determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Auditors Report and Financial Information of our Company" beginning on page numbers 9, 82 and 130, respectively of this Draft Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**Board of Directors**  
**Aartech Solonics Limited**  
E-2/57, Ashirvad Arera Colony,  
Bhopal MP- 462016

Dear Sir,

**Sub.: Statement of possible tax benefits (“the statement”) available to Aartech Solonics Limited (“the company”) and its shareholder prepared in accordance with the requirement in Schedule VIII- Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulation 2009, as amended (“the regulations”).**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (“Act”) as amended by the Finance Act, 2017 (i.e. applicable to Financial Year 2017-18 relevant to Assessment Year 2018- 19), presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover special tax benefits only available to the Company and its Shareholders and do not cover any general tax benefits available to the Company or its Shareholders. 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. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

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

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

No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For, Spark & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 005313C**

**Date:** 21<sup>st</sup>, July, 2018  
**Place:** Bhopal

CA Roopak Jain  
Partner  
Membership No.: 410002

## **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.

## **SECTION V – ABOUT US**

### **INDUSTRY OVERVIEW**

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other industry sources. Neither we nor any other person connected with this 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 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.*

#### **GLOBAL ECONOMIC OUTLOOK:**

Economic activity in 2017 ended on a high note—growth in the second half of the year was above 4 percent, the strongest since the second half of 2010, supported by a recovery in investment. Outcomes exceeded the October 2017 *World Economic Outlook* forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast.

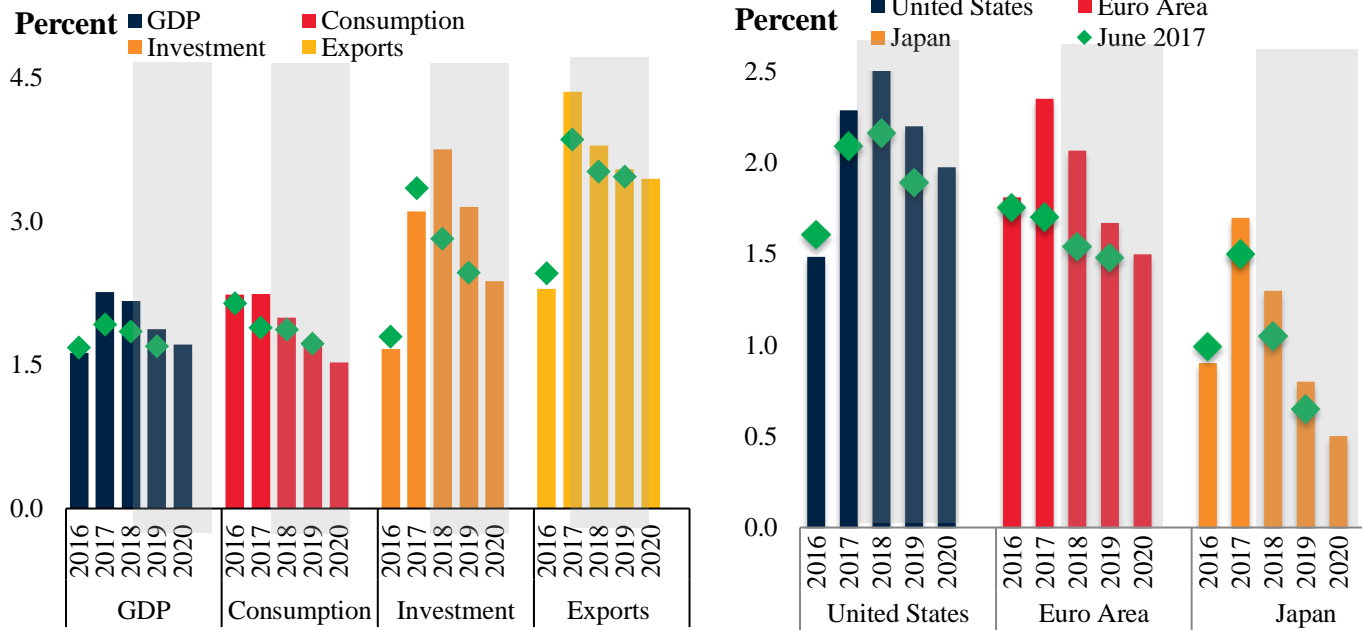
This positive momentum will eventually slow, however, leaving many countries with a challenging medium-term outlook. Some cyclical forces will wane: financial conditions are expected to tighten naturally with the closing of output gaps and monetary policy normalization; US tax reform will subtract momentum starting in 2020, and then more strongly as full investment expensing is phased out starting in 2023; and China’s transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. At the same time, while the expected recovery in investment will help raise potential output, weak productivity trends and reduced labor force growth due to population aging constrain medium-term prospects in advanced economies. (Chapter 2 examines the drivers of labor force participation in advanced economies.) The outlook is mixed across emerging market and developing economies. Prospects remain favorable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa, where—despite some recovery—the medium term outlook for commodity exporters remains generally subdued, with a need for further economic diversification and adjustment to lower commodity prices. More than one-quarter of emerging market and developing economies are projected to grow by less than advanced economies in per capita terms over the next five years, and hence fall further behind in terms of living standards.

The current juncture offers a window of opportunity to advance policies and reforms that safeguard the upswing and raise medium-term growth to the benefit of all.

[Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>]

#### **Major economies: recent developments and outlook:**

Growth in advanced economies strengthened in 2017, reaching an estimated 2.3 percent—0.4 percentage point above previous forecasts—helped by a recovery in capital spending and exports (Fig. 1.3). The pickup in investment reflected increased capacity utilization, favorable financing conditions, and rising profits and business sentiment. Confidence was supported by the fact that policy uncertainty, albeit still elevated, diminished during the year.



Source: World Bank.

Notes: Green diamonds correspond with the June 2017 edition of the Global Economic Prospects report. Shaded areas indicate forecasts. Aggregate growth rates and contributions calculated using constant 2010 U.S. dollar GDP weights.

Consumption growth was stable, as continued labor market improvements offset the dampening impact of a rebound in energy prices. The recovery was substantially stronger than expected in the Euro Area and, to a lesser degree, in the United States and Japan. Despite the strengthening of activity, inflation in advanced economies remained subdued in 2017.

Over the forecast horizon, advanced-economy growth is expected to moderate slightly in 2018, to 2.2 percent, and to average 1.8 percent in 2019-20—close to the upper bound of potential growth estimates. This path reflects the unwinding of a cyclical upturn in investment and further normalization of monetary policy, as advanced economy output gaps close.

[Source: <https://openknowledge.worldbank.org/bitstream/handle/10986/28932/9781464811630.pdf> ]

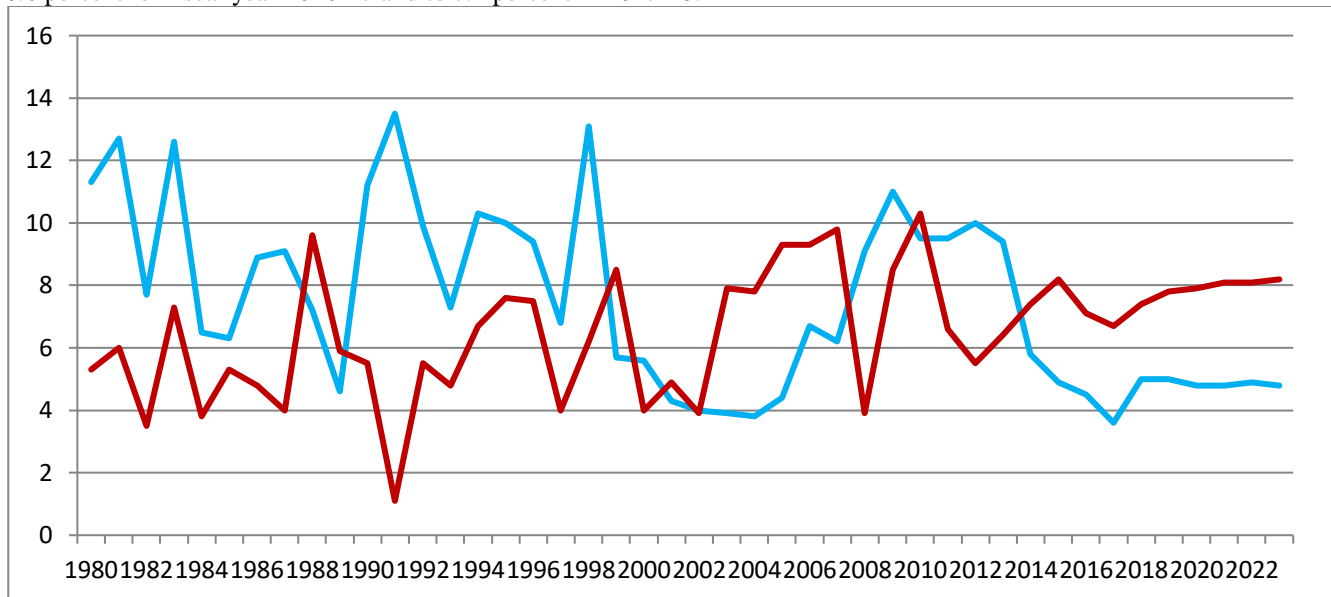
## INDIAN ECONOMIC OVERVIEW

The Indian economy is growing strongly and remains a bright spot in the global landscape. The halving of global oil prices that began in late 2014 boosted economic activity in India, further improved the external current account and fiscal positions, and helped lower inflation. In addition, continued fiscal consolidation, by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance have helped cement macroeconomic stability.

The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. In particular, the upcoming implementation of the goods and services tax, which has been in the making for over a decade, will help raise India’s medium-term growth to above 8 percent, as it will enhance the efficiency of production and movement of goods and services across Indian states.

Challenges remain, however, and there is little scope for complacency. A key concern for us is the health of the banking system, which is still dealing with a large amount of bad loans, and also heightened corporate vulnerabilities in several key sectors of the economy.

And, over the past few months, the economy has been hit by cash shortages, and accordingly we reduced our growth forecasts to 6.6 percent for fiscal year 2016-17 and to 7.2 percent in 2017-18.



- Real GDP growth (Annual percent change - India) 7.4
- Inflation rate, average consumer prices (Annual percent change) 5

[Source: [www.imf.org/en/News/Articles/2017/02/21/NA022217-For-India-strong-growth-persists-despite-new-challenge](http://www.imf.org/en/News/Articles/2017/02/21/NA022217-For-India-strong-growth-persists-despite-new-challenge)]

## 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- 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 startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

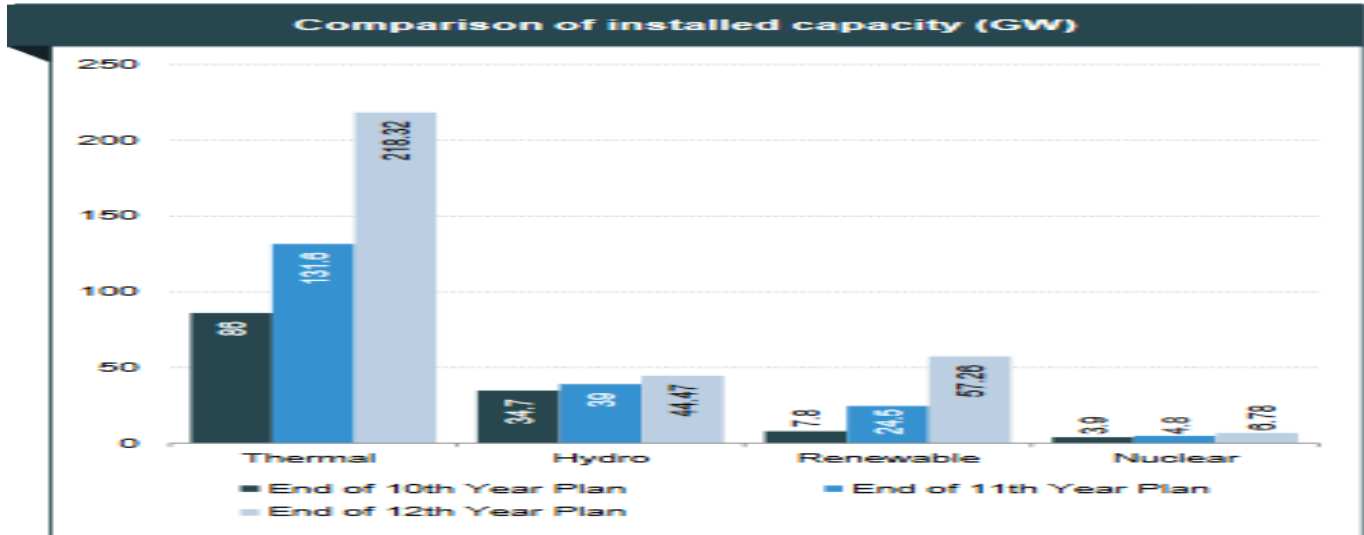
India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

## POWER INDUSTRY

India is the third largest producer and fourth largest consumer of electricity in the world, with the installed power capacity reaching 334.0 GW as of March 2018. The country also has the fifth largest installed capacity in the world.

The government targets capacity of around 100 GW under the 13<sup>th</sup> Five year plan (2017-2022). In June 2017 the government announced intention to setup an asset reconstruction company for handling the stressed assets in power sector. This would also help in stressed power generation of stalled power projects, which would then be auctioned.

100% FDI is allowed under the automatic route in the power segment and renewable energy.



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

### THERMAL ENERGY SECTOR

India’s third draft 10-year National Electricity Plan (NEP3) forecasts a net expansion of thermal power capacity of 57 GW over the decade to 2026/27. India’s Ministry of Finance lowered this estimate, but only to 50 GW, in its mid-year macro-economic assessment released in August 2017.

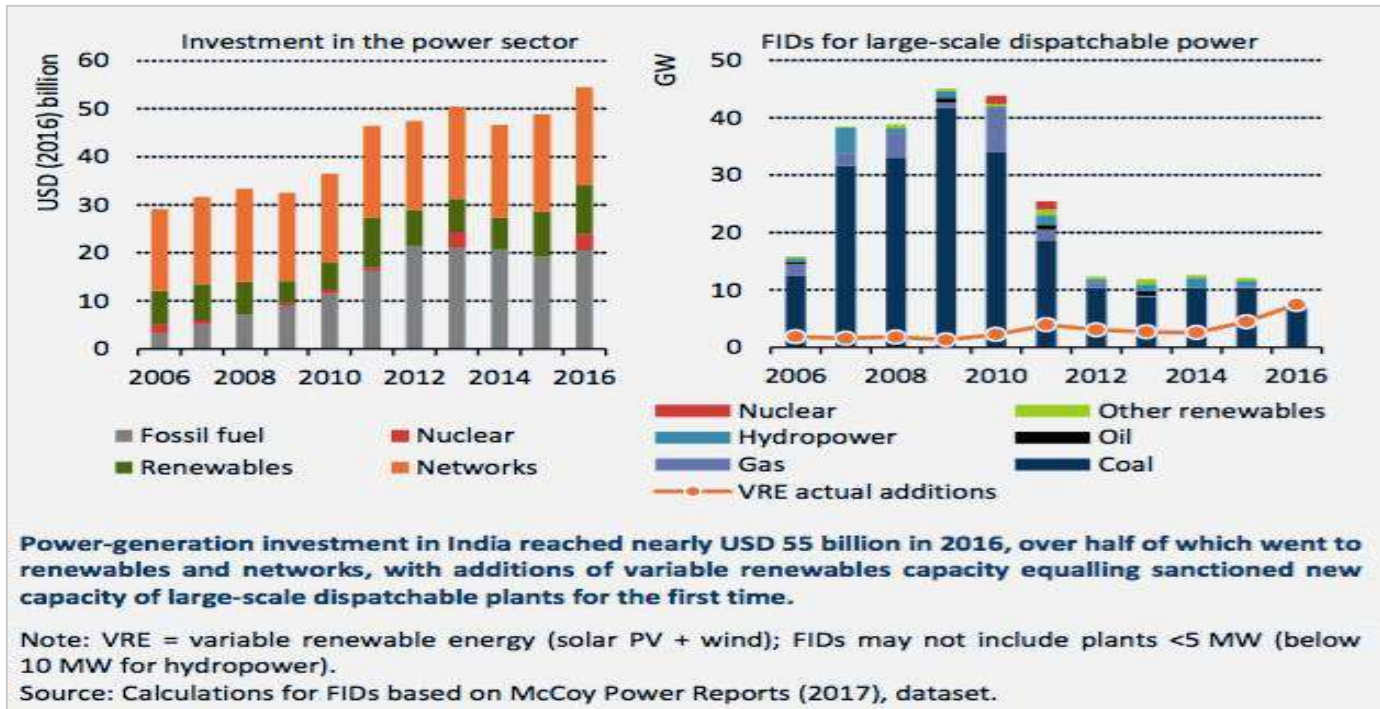
IEEFA has forecast a similar 50 GW net expansion in thermal power capacity of, taking the total installed thermal fleet from 218 GW as of March 2017 to 268 GW by 2027. IEEFA has cross-referenced the current Central Electricity Authority (CEA) forecast against our estimate of capacity needed to cover forecast electricity demand growth net of zero- emissions capacity expansions and reviewed the current pipeline of proposed new plants. Against this, we have then assessed the net expansion given the combination of likely new Indian emissions controls and attrition through end-of-life plant closures. IEEFA see 7-8 GW of annual new thermal power plant additions over the coming decade, less 2-3 GW of annual beyond end-of-life thermal closures for a net annual expansion of 5 GW. Over the next 10 years, this equates to a net 48 GW of new coal plus 2 GW of new gas-fired capacity.

Figure 5.1 details the investment profile in the Indian electricity sector over the past decade, culminating in a record US\$55bn in 2016, of which US\$20bn was in networks, US\$20bn in coal-fired power generation, and a record US\$10bn in renewables infrastructure. However, changes are clearly in the offing. The IEA recently highlighted how new investment commitments (Financial Investment Decisions (FID)) into Indian coal power have dropped by two-thirds since 2012 relative to the 2007-10 peak period of 40 GW annually, suggesting a sustained step down from the 2012-15 coal commissioning peak.

The Government has set a generation capacity addition target of 88.5 GW during 2012-17. Against this, generation capacity addition of 101.64 GW is likely to be achieved during 2012-17. The generation capacity addition during 2017-22 is being worked out considering the likely generation capacity addition of 101.64 GW during 2012-17.

The revised tariff policy 2016 ensures adequate return on investment to companies engaged in power generation, transmission and distribution and ensures financial viability of the sector in order to attract investments by companies.”

[Source: [http://ieefa.org/wp-content/uploads/2017/11/India-Electricity-Sector-Transformation\\_Nov-2017-3.pdf](http://ieefa.org/wp-content/uploads/2017/11/India-Electricity-Sector-Transformation_Nov-2017-3.pdf)]



## REASON TO INVEST

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) i.e. 4,000 MW super thermal power projects (both pit head and imported coal based) in November 2005 with the objective to develop large capacity power projects in India. Power Finance Corporation Ltd (PFC) has been appointed as the Nodal Agency to facilitate the development of these projects. Various inputs for the UMPPs are tied up by the Special Purpose Vehicle (SPV) with assistance of Ministry of Power & Central Electricity Authority (CEA). CEA is involved in selection of sites for these UMPPs.

Ministry of Power is finalizing the guidelines for determination of tariff through transparent process of bidding for procurement of power from UMPPs based on allocated domestic captive coal blocks and to be set up on Build, Own and Operate (BOO) basis” (the Guidelines). To carry out the bidding process expeditiously, the bid documentation shall be as per the Request for Qualification (RFQ), Request for Proposal (RFP) and the Power Purchase Agreement (PPA) (collectively the “Standard Bidding Documents”(SBDs)) issued by the Central Government in Terms of these Guidelines.

Government of India is actively working for bidding out of following UMPPs:

1. Cheyyur UMPP, Tamil Nadu
2. Bedabahal UMPP, Odisha
3. Bihar UMPP

The standard Bidding Documents (SBDs) are under finalization in Ministry of Power. Bidding out of UMPPs would be done after finalization of SBDs and allocation of Coal Blocks (for Domestic Coal Block based UMPPs) to Infra SPV.

[Source: <http://www.makeinindia.com/sector/thermal-power> ]

## NATIONAL ENERGY POLICY: NITI AAYOG

India’s draft national energy policy looks at the country’s energy needs through 2040, based on a report and road map released in July 2017 by NITI Aayog, the Indian government’s in - house think tank. That report focuses on renewable energy; drastic reductions in energy intensity; a doubling of per capita energy consumption and a tripling of per capita electricity consumption; 100% electrification; clean – cooking coverage by 2022; and reduced fossil fuel imports. The draft policy stresses efficiency,

technology, regulatory oversight, effective engagements with overseas investors, air quality considerations, and human resource development across the energy domain.

This policy incorporates the 2022 targets with India’s NDC (nationally determined contribution) for which the target year is 2030.7 The draft policy concludes that India will be largely self – sufficient in thermal coal supply through 2037, with domestic production forecast to peak at 1,200 - 1,300 million tonnes per annum, a forecast that IEEFA sees as flawed, given how wind and solar are already the low –cost source of new generation supply.

### INDIAN COAL SELF-SUFFICIENCY

Because of the Modi government’s plan to build domestic coal capacity sufficient to meet demand growth and cease thermal coal imports this decade, India this year overtook the U.S. to become the second largest coal producer and consumer globally. In 2016 the IEA estimates India expanded investment in its domestic coal mining capacity by 10% to US\$3.7bn.

IEEFA expects India’s electricity sector to remain heavily dependent on domestic coal- fired power generation for decades to come, given power plants commissioned in 2020 will have the operating life to run through to 2060. However, with the policy focus on building grid efficiency and energy efficiency, and the improvement in energy security that will develop as India builds out wind, solar and hydro and to a much lesser degree LNG plus nuclear fueled capacity, coal fired power’s share will likely decline significantly over the coming decade.

Year ended March	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Coal fired power generation (TWh)	834	889	938	968	995	1,019	1,043	1,066	1,089	1,112	1,137	1,162	1,186
Coal-fired power - market share (%)	75.8%	75.7%	75.5%	75.1%	73.3%	71.2%	69.1%	67.1%	65.0%	63.0%	61.1%	59.2%	57.3%
Coal-fired power thermal efficiency (%)	32.0%	32.5%	32.9%	33.3%	33.6%	33.9%	34.3%	34.6%	34.9%	35.3%	35.6%	36.0%	36.3%
Tonnes per TWh	0.64	0.61	0.60	0.59	0.58	0.56	0.55	0.54	0.53	0.52	0.51	0.50	0.49
Thermal coal demand - for power (Mt)	530	546	562	569	573	575	577	578	579	579	581	582	582
Thermal coal demand - growth (% pa)	8.4%	2.9%	2.9%	1.2%	0.8%	0.4%	0.3%	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%

Source: CEA, IEEFA Calculations

[Source: [http://ieefa.org/wp-content/uploads/2017/11/India-Electricity-Sector-Transformation\\_Nov-2017-3.pdf](http://ieefa.org/wp-content/uploads/2017/11/India-Electricity-Sector-Transformation_Nov-2017-3.pdf)]

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Auditors Report and Financial Information of our Company” on page no. 9, 182 and 130 respectively of the Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, in this chapter, unless the context requires otherwise, any reference to the terms “Our Company”, “We”, “Us” and “Our” refers to “Aartech Solonics Limited”, unless stated otherwise.*

### COMPANY’S BACKGROUND

We are an ISO 9001: 2015 certified 30 years old company working in the field of Specialized and Selected Energy Applications. Our popular flagship import substitute product BTS 2000 Fast Bus Transfer System is used in a large number of power plants and process industries (aggregating to > 50,000 MW in India and some abroad) and are one of the leading manufacturer of this technology in India, competing with a handful of global manufacturers internationally .We are associated with some of the best in class technology companies in the power sector in India as well as in USA & Europe and works closely with them in offering system integrated products and services to customers all over Asia.

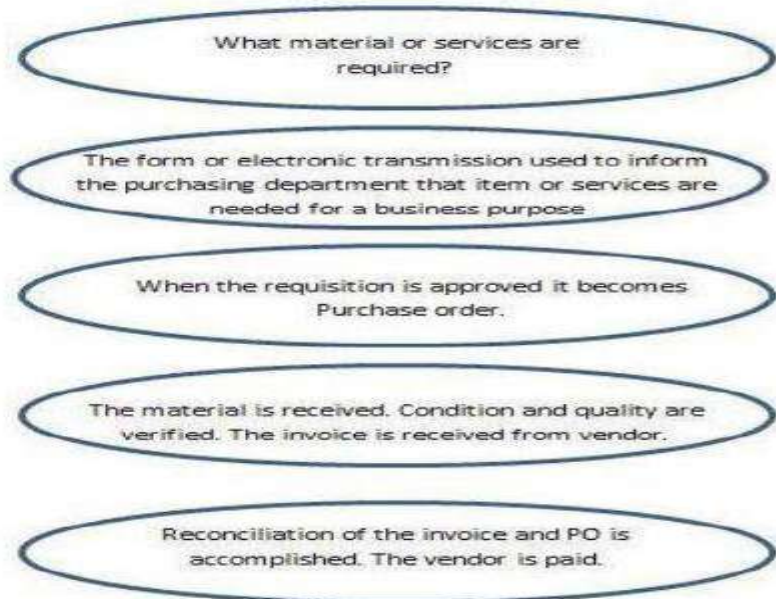
We were originally incorporated as “Aartech Solonics Private Limited” on August, 24<sup>th</sup>, 1982. In April 23<sup>rd</sup>, 1992 the company converted to public company and the name was changed to “Aartech Solonics Limited”. We are Bhopal based company having two manufacturing hubs one at each Mandideep, M.P. and Parwanoo, H.P. Aartech's Unit#1 is located in the industrial town of Mandideep, 20 kms from Bhopal. It encompasses 12000 sq. meters of land and 1500 sq. meters of built up area - housing all necessary machineries, equipments and warehouse space for its SSDs. Aartech's Unit#2 is located at Parwanoo, Himachal Pradesh and supports the manufacturing activities of the BTS 2000 & LT microprocessor based fast bus transfer system SSD.

We serve the energy sector by providing comprehensive & desirable system solutions and thus creating great value to our stakeholders. We provide technical expertise to all the customers in expanding energy market across the globe. We believes in entrepreneurially driven identification of specialised and selected applied energy applications, followed by careful application of its R&D, domain knowledge and skills in an integrated systems solution approach to meet such growing challenges.

We work around the concept of System Solution Division (SSDs). We have several operative System Solution Divisions (SSDs), BTS 2000 - Microprocessor Based Fast Bus Transfer Systems (being the flagship SSD at present), Ultra-Capacitor, Load Checker, Control & Relay Panel & Load Checkers. We also offer solutions/services on Clip Fault Current Limiters, Pure Wave DSTATCOM, Pure wave UPS& Wedge Tightness Detector. We have also started business line in LED Backlit frames and trading of plastic enclosures for industrial purposes.

Under the leadership of our Promoters we have strengthened our manufacturing capacity to cope with the changing market demand and upgrading the technology. With the experience of our Promoters & senior management we have been able to sustain and grow in the past. Our customer base includes many names from various domains such as Defense, Power Generation, Railways, Heavy Earth Moving Equipments, Oil & Gas Industry and Academics.

### RAW MATERIAL:



#### Model of Raw Material procurement:

S. No.	Particulars	2017-2018	2016-17	2015-16	2014-15
		%	%	%	%
1.	India	50.00	82.00	69.00	95.00
2.	China	4.47	1.76	0.53	4.73
3.	Germany	0.06	-	0.24	0.16
4.	USA	14.72	16.00	27.31	0.37
5.	Russia	30.69	0.20	2.84	-
6.	Canada	-	-	-	-
7.	UK	-	-	-	-
8.	Europe	-	-	-	-
9.	Canada	-	-	-	-
10.	Other	-	0.04	-	-
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

#### FINANCIAL PERFORMANCE OF THE COMPANY:-

The Company has made robust growth and improvement in top line in last five financial years. The breakup of revenue from operations is explained below:

(Rs.In Lakhs)

Particulars	As at March, 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Revenue from operations	1130.28	1272.85	973.38	923.26	886.04
Other income	78.23	69.20	52.47	71.28	67.75
<b>Total Revenue (I + II)</b>	<b>1208.51</b>	<b>1342.05</b>	<b>1025.85</b>	<b>994.54</b>	<b>953.79</b>

#### REVENUE BREAKUPS:

(Rs. In Lakhs)

S. No.	Particulars	As at 31 <sup>st</sup> , March				
		2018	2017	2016	2015	2014
1	Sales of Products	1048.19	1201.90	931.84	877.25	864.55

2	Sales of Services	82.09	70.95	41.54	46.01	21.49
	<b>Total</b>	<b>1130.28</b>	<b>1272.85</b>	<b>973.38</b>	<b>923.26</b>	<b>886.04</b>

**Revenue Breakup (Product wise):**

(Rs. In Lacs)

S. No.	Particulars	As at 31 <sup>st</sup> , March, 2018		As at 31 <sup>st</sup> , March, 2017		As at 31 <sup>st</sup> , March, 2016	
		%	Amount	%	Amount	%	Amount
1.	BTS 2000 Fast Bus Transfer System	33.55	379.24	31.58	401.99	45.23	440.28
2.	Faradigm Ultracapacitors	27.96	316.00	1.70	17.55	2.08	20.29
3.	Control Relay Panels	25.50	288.21	59.37	755.75	42.33	412.11
4.	Load Checker	0.16	1.81	Negligible	0.06	0.19	1.83
5.	Clip Current Limiting Protector	-	-	1.62	20.59	5.53	53.84
6.	Pure Wave Ups	-	-	-	-	-	-
7.	Purewave Dstatcom	-	-	-	-	-	-
8.	Wedge Tightness Detector	-	-	0.32	4.03	0.37	3.5
9.	Gsun Innovation	2.16	23.25	Negligible	0.10	-	-
10.	Best Case	3.51	39.67	0.14	1.84	-	-
11.	Services	7.26	82.09	5.54	70.95	4.27	41.53
	<b>Total</b>	<b>100.00</b>	<b>1130.28</b>	<b>100.00</b>	<b>1272.86</b>	<b>100.00</b>	<b>973.38</b>

**RESEARCH & DEVELOPMENT ACTIVITS:**

Aartech was founded in the year 1982 driven by the entrepreneurial spirit of its founder Mr. Anil Anant Raje. Aartech started commercial production on 1<sup>st</sup> January, 1988, celebrated as Aartech's Foundation Day every year. Aartech was initially incorporated as a private limited company and subsequently converted into a public limited company in March 1992. Aartech was established with a view of manufacturing custom-built electrical systems as required for power stations, receiving stations, sub stations, distribution networks, process plants and variety of industries and establishing itself as an "Application Engineering Specialist" in the field of Electrical Switchgear and Controlgear Engineering with a determined focus on R&D activities. The company rapidly established its name as a quality manufacturer of control and relay panels, motor control centers, testing equipments, digital and power electronics based products. Since inception, it has earned a well deserved reputation of providing innovative solutions with dedicated R&D efforts, thus finding itself a unique placement with its customers. Aartech pioneered the development of India's first import substitute fast bus transfer system in the mid 1980's for power plants and continuous process industries, and remains a market leader in the field till date in India. By providing continuous power to the critical motors in continuous process industries and generation utilities, the fast bus transfer system saves very significant amount of revenue losses, material and O&M costs and plant downtimes- thus providing an exceptional return of investment to its customers.

The main objective of the R&D program is to build a Techno-preneurial Ecosystem for Industrial Research, Design & Development (IRDD) of System Solutions for Specialized and Selected Energy Applications with Sustainable Innovation Management.

Aartech's Innovations Lab is a fully enclosed air-conditioned facility of around 1000 sqft with all modern amenities required for laboratory operations. In November 2013, "AAR Centre for Techno-preneurship was recognized by Department of Science and Technology for its contribution in the field for R&D activities. Further, this term was renewed for two terms and is valid till 2019. To further add, the lab was funded by Rs. 42.90 lacs in two tranches in which Rs. 21.45 lacs has already been disbursed central government.

The company has several foreign and Indian collaborations which includes: For development of applications on Edison Pro Platforms. 2. For development of BTS 2000 Fast Bus Transfer Systems (Technology Transfer from Aartech Soloncis Ltd.) 3-7 For evaluation of ultracapacitors and development of suitable applications. Indian Collaboration: 1. For Design, Development and Technology Transfer of Fast Charger suitable for Ultracapacitor Applications. 2. For Design, Development of an Ultracapacitor based Bi-Directional Power Electronic System.

- a. New products developed : Battery Backup System for Sensitive Electronics using Ultracapacitors, Battery Backup System 125V module using Ultracapacitors, On-Board Battery less Engine Starting System using Ultracapacitors for 350 HP DG Application, On-Board Engine Starting System using Ultracapacitors for 1.5 MW DG Application, On-Board Engine Starting System using Ultracapacitors for Heavy Earth Moving Vehicle Application, On-Board Engine Starting System using Ultracapacitors for Locomotive Application, Fast Bus Transfer Systems for L.T. Application
- b. New processes developed: Aluminium Welding Process for aluminium job related competency.
- c. Improvement in existing production process(s):
- d. Energy conservation: Proposal submitted to Department of Science & Technology (DST) for the topic: Application of Ultracapacitor based Energy Storage as Smart Grid Initiative for Recuperation and reuse of energy in Elevators for High Rise Buildings in Smart Cities
- e. Pollution Control: Our products provide substantial pollution control provisions for their respective end use applications.
- f. Import substitution (indicate items developed and foreign exchange earned): Our products have saved foreign exchange due to import substitution in projects in India and are under active export marketing and promotion.

Commercialized by the Company:

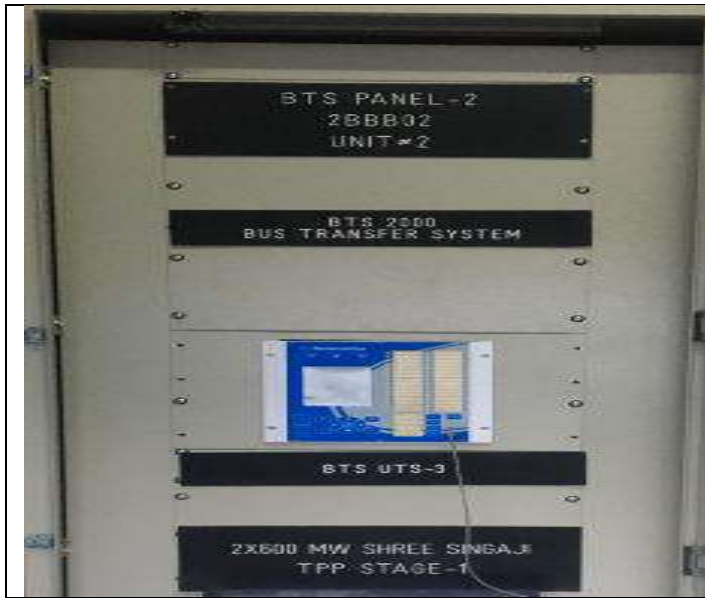
S. No.	Technology	Year of commercialization
1.	On-Board Engine Starting System using Ultracapacitors	2011
2.	Battery Backup Syatem for sensitive Electronics using Ultracapacitors	2012
3.	Pitch Control Module for Wind Turbines using Ultracapacitors	2012
4.	Fast Bus Transfer Systems for L.T. Application	2014

Ongoing R&D projects include:

- 1) Kranking Energy Harvester - This project relates to the development of Energy Harvesting System for cranking application and critical equipments.
- 2) Kranking - Portable - 24V- Armoured Vehicle - This project relates to the development of Portable - 24V Kranking module for defence armoured vehicle starting solution.
- 3) FaraDigm Battery Less Missile Triggering Backup Module - This project relates to the development of Missile Triggering system fro Indian Army.
- 4) UCAP-UPS Test System - This project relates to the development of a complete test system for UCAP and UPS related products.
- 5) Ultracapacitor Management System - This project relates to the development of Ultracapacitor management system for UCAP module.
- 6) Testing Kit for Distance and Differential Protection - This project relates to the development of test kit for distance and differential protection.
- 7) Platform for Integration of power System Protection, Monitoring, Communication and Control in a Single Package - This project relates to the design and development of a state- of -the- art power system protection platform.

## SPECIFICATION OF OUR PRODUCTS

### 1. BTS 2000 FAST BUS TRANSFER SYSTEM:



BTS 2000 Fast Bus Transfer System is an advanced microprocessor based Bus Transfer System for Power Generation Utilities (eg: Thermal power station) & Continuous Process Industries. By performing high speed motor bus transfers between two independent sources of power under prescribed safe system parameters, the Bus Transfer System provides continuity of power supply to the critical motors of a plant.

We have more than 25 years of experience in deploying fast bus transfer system solutions and 500's of installations to a variety of demanding system requirements. We work with switchgear manufacturers, EPC contractors, end users and their respective consultants to ensure end-to-end solutions for mission critical applications. We are the only manufacturer of this technology in India, competing with a handful of global manufacturers internationally.

### 2. FARADIGM ULTRACAPICITORS:



FaraDigm™ is a range of Ultracapacitors for power quality applications. The Ultracapacitors operate at different voltages, and for a particular operating voltage, there are Ultracapacitors with different capacitance values and, consequently, the energy that can be stored on them.


### 3. CONTROL RELAY PANELS:




Multicircuit or single circuit Control and relay panels are the indoor control, indication, relay and metering panels for control of associated line or transformer through outdoor switchgear at various 33/11 KV sub stations.

These panels are widely used in all electricity boards across India like MPEB, CSEB, KSEB etc.


### 4. LOAD CHECKER:

	<p><b>LoadChecker™</b> blocks the mains supply to the load if excessive current is drawn through it. However, in the event of blocking, its patented self-reset feature normalizes the supply to the load, once the load is disconnected for a minimum time. The entire operation does not require any manual effort or attention. The product uses <i>soft blocking technology</i>, thus ensuring very long life.</p>
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**5. BEST CASE:**

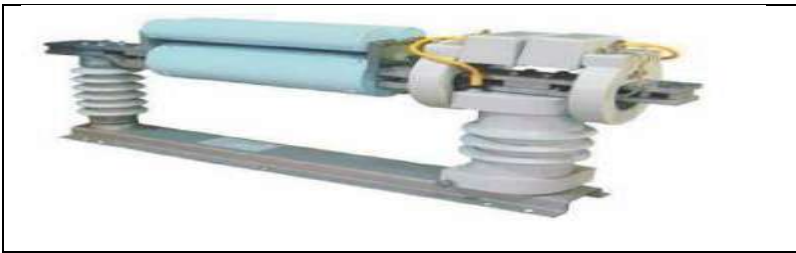
	<p>Bestcase is a major player in the industry with a solid customer base and several benchmarks for delivering innovative and customised enclosures made out of EVA Foam and PU Foam like simple Plastic Tool Box (PP Material), Equipment Case (ABS Material) and Plastic Waterproof Enclosures as per the requirements of client. Guided by our highly experienced team members who come together and put their combined effort for attaining the goals and objectives of the company. We adhere to strict quality control check on our offered range against predefined framework of quality. These business operations of our company are carried out by our team of highly skilled personnel with the ultimate goal of pleasing the clients.</p>
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**6. GSUN INNOVATION:**

	<p>GSUN is the reuse and recuperation of E-waste in various applications. The concept is to use the non working/ broken LCD monitors/ Displays/ LCD screens of computer/ laptops and pads for applications such as LED Backlit photo frames, Buliding Lighting, Emergency light, light box, photo wall, photo collage, name plate, number plate etc. The monitor whose backlit is unaffected is detached from the front of the backlit. It is than reactivated/refurbished and framed to be used as a digital photo frames. The end result is a high quality and digital photo, with colors very close to to natural colors. It is a low cost backlit photo frames as compared to high cost digital photo frames. This product contributes to the economy as it makes the optimum use of e-waste and selling the same in global market. It resolves the issue of e-waste to an extent as e-waste can only be managed by reduce, reuse, recycle, and most importantly recuperation.</p> <p><b>Our various GSUN Innovation products:</b></p> <ol style="list-style-type: none"> <li>1. Back lit photo frames</li> <li>2. 3D scanning</li> <li>3. 3D figurines</li> <li>4. 3D Selfie.</li> </ol>
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**For the following products below, we have provided solutions/services :**

**7. CLIP CURRENT LIMITING PROTECTOR (Solutions& Services) :**



We have provided services in commissioning of CLIP. **CLiP® (Current Limiting Protector)** has provided unparalleled system protection, around the world, for over 25 years. It offers the advantages of current limitation for systems rated to 38kV with high continuous current ratings up to 5000A. Fault interruption beyond 300kA rms symmetrical at 15.5kV has been achieved.

**8. PURE WAVE UPS:**

The PureWave UPS System is an immediate-response, high capacity, quick discharge uninterruptible power supply system that provides power protection to entire facilities served by a single source, and protects power sensitive equipment from the detrimental effects of power disturbances such as voltage sags, surges, transients, momentary disruptions, and complete outages. The system is designed to support full loads for a minimum of 30 seconds and a maximum of 60 seconds for partial load conditions. The UPS can be coordinated with a generator set for outages in excess of 30 seconds.

**9. PUREWAVE DSTATCOM:**



The PureWave DSTATCOM is a fast compensating reactive power source that can reduce voltage variations and voltage instability in the transmission system and can assist in quick recovery after contingency events. In systems with widely dispersed generation facilities, distributed fast compensating reactive power sources like PureWave DSTATCOMs can provide real time voltage control and improve both power factor and system voltage stability. And they can reduce the impact of fluctuations in distributed generation sources on the distribution system, as well as help meet steady state system interconnection requirements

**10. WEDGE TIGHTNESS DETECTOR:**



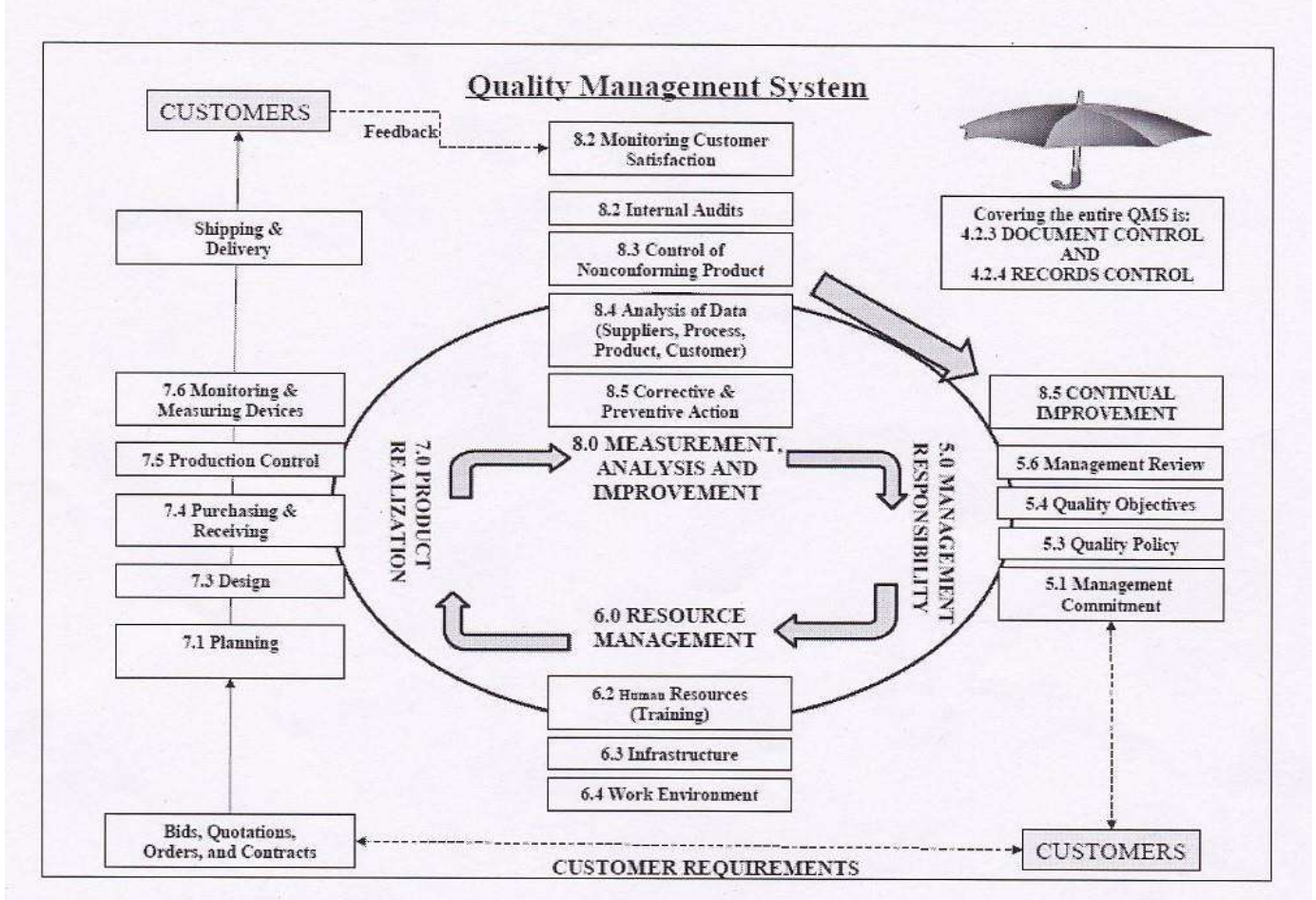
Wedge Tightness Detector allows maintenance personnel to easily and effectively assess the tightness of wedges. Electronic measurement and storage enables easy and accurate trending of wedge tightness data from test to test. Stator wedges are traditionally tested for tightness by tapping them with a hammer and listening to the sound produced. This method is slow and prone to discrepancies. Electronic wedge tightness evaluation is faster, more accurate and provides more consistent results. The WTD-501 can be used to test all types of generator and motor stator wedges, including those with ripple springs. Loose wedges lead to vibration and erosion of insulation in generators. These serious problems can cause electrical failure. The WTD acts as a sophisticated electronic ear that quickly and reliably provides an electronic map of wedge tightness.

**SIGNIFICANT CONTRACTS EXECUTED:**

S. No.	Product Name	Client Name	Time Period		Quantity/Annum
			From	To	
1.	Bts 2000 Fast Bus Transfer System	BHEL (Bhopal)	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	11 Nos./Annum
		Maharashtra State Power Generation Company Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	5 Nos./Annum
		Hindalco Industries	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	5 Nos./Annum
		ISGEC Heavy Engineering Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	5 Nos./Annum
		Larsen & Toubro Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	3 Nos./Annum
2.	Faradigm Ultracapicitors	Head Quarters northern Command	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	58 Nos./Annum
		Maharashtra State Power Generation Company Limited (Koradi)	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	11 Nos./Annum
		Maharashtra State Power Generation Company Limited (Bhusawal)	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	7 Nos./Annum
		Mahagenco (Chandrapur)	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	3 Nos./Annum
		IISER Bhopal	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	2 Nos./Annum
3.	Control Relay Panels	CG Power and Industrial solution Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	1,424 Nos./Annum
		Punjab State Power Corporations Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	54 Nos./Annum
		Electronic Instruments Industries	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	23 Nos./Annum
		Haryana Vidyut Prasaran Nigam Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	20 Nos./Annum
		Jharkhand Urja Sancharan Nigam Ltd	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	15 Nos./Annum
4.	Load Checker	All in trade	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	400 Nos./Annum
		Naturetech infrastructure Private Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	40 Nos./Annum
5.	Gsun Innovation	Local Buyers	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	733 Nos./Annum
		New Nayan Studio	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	196 Nos./Annum
		Vinod Dhakad	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	195 Nos./Annum
		Studio Chawla	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	124 Nos./Annum
		LNS Associate	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	122 Nos./Annum
		Prudent Systems Private Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	2,443 Nos./Annum
		Olympus Medical	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	660 Nos./Annum

6.	Best Case	System India			
		Sagar Industries	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	500 Nos./Annum
		KCI Medical India Private Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	60 Nos./Annum
		Gea Process Engineering (INDIA) Private Limited	1 <sup>st</sup> , April, 2017	31 <sup>st</sup> , March, 2018	21 Nos./Annum

**PROCESS FLOW CHART:**



**OUR BUSINESS PRACTICE**

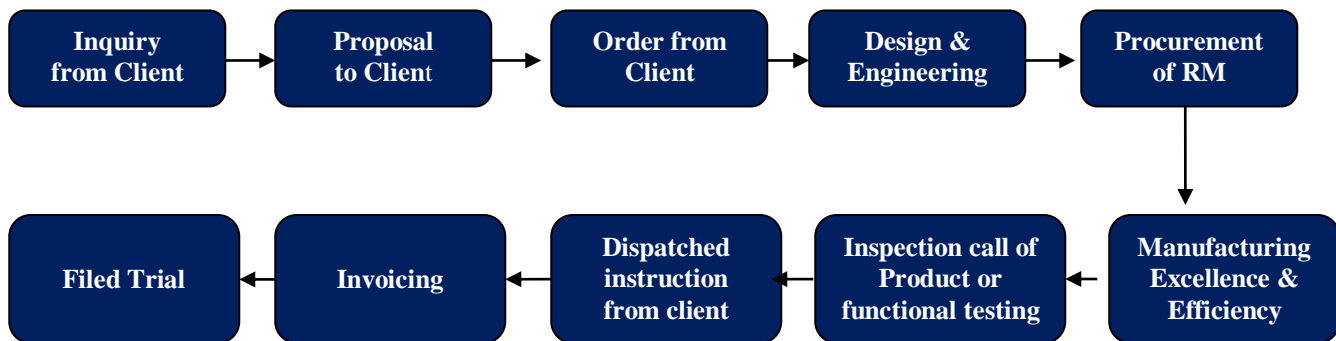
Our business practice is designed around the concept of System Solution Division (SSDs). It is a reflection of our commitment to strive to provide comprehensive system solutions, and not just isolated products or services to the customers. We have several operative System Solution Divisions (SSDs), BTS 2000 - Microprocessor Based Fast Bus Transfer Systems (being the flagship SSD at present), Ultra-Capacitor, Load Checker, Control & Relay Panel naming a few.

Our Business Practice can be described as follows:

- Each product/technology to be a functionally and financially independent System Solutions Division [SSD].
- Seek/Develop/Motivate techno-entrepreneurs that can take the concept to the finishing line with a high level of expertise, enthusiasm and commitment.

- Develop an active internship program to encourage various stakeholders in a an R&D enterprise – entrepreneurs, technologists, engineers, technicians, IPR lawyers, social engineers etc.
- High focus on internal technology vetting, lab testing, certifications and field trials.
- Develop high level of IT usage in a well-organized and accessible framework.
- Provide ownership based incentives from the onset.
- Invest appropriate resources without delay – time is of the essence.
- Take advance actions to protect IPR.
- Plan for a significant pilot trial from Day 1.
- Market the Product, Not the Technology.
- Associate on as-needed basis, with marketing firms under product, customer and territory specific contracts.

#### OUR BUSINESS MODEL:



#### COMPETITIVE STRENGTHS:-

1. **Improve Performance and Enhance Returns from Our Core Business:** We intend to continue our focus in enhancing project execution capabilities so as to derive multiple benefits of client satisfaction and improvements in skills. We will constantly endeavor to leverage our operating skills through our equipment and project management tools to increase productivity and maximize asset utilization in our capital intensive projects. We believe that we have developed a reputation for undertaking and completing such in a timely manner. We intend to continue our focus on performance and project execution ability in order to maximize our operating margins. To facilitate efficient and cost effective decision making, we intend to continue to strengthen our internal systems.
2. **Vast Experience of more than two Decades:** Our Company and core management team is having vast experience of more than two decades in executing project from small to large scale be it small residential projects to a large industrial projects. Our core capabilities of design, engineering, procurement, construction and commissioning as well as Operation and Maintenance services (O&M) which makes us one stop solution in EPC services of various kind of power plants.
3. **To Build-up a Professional Organization:** We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of the experience and the sufficient staff for taking care of our day to day operations. We are a learning organization.
4. **Optimal Utilization of Resources:** Our Company constantly endeavors to improve our process, skill up-gradation of our employees, modernization of infrastructure and methods of processing. We regularly analyze our existing process and to identify the areas of bottlenecks and correct the same. This helps us in improving our services so as to reap the optimum satisfaction of our clients.
5. **Advancement in R&D:** We depend on Research & Development for improving and upgrading our existing offerings and developing new products and technologies. Our research and development efforts include design and development of transformers, etc. We have technologies and solutions that allow for active monitoring of energy consumption for electric equipment.

- 6. Reduction of operational costs and achieving efficiency:** Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We try to reduce the wastage and control the fabrication on the production floor through effective supervision at our premises.

#### SWOT ANALYSIS:

STRENGTH	WEAKNESSES
<ul style="list-style-type: none"> <li>✓ Product/Industry</li> <li>✓ Industry Expertise: Our promoters have more than 35 years of experience and knowledge in the power electronics sector.</li> <li>✓ Reputed clientele- Our company has developed a reputed and reliable clientele in public &amp; private utilities in thermal power sector.</li> <li>✓ Inhouse R&amp;D - Our company executes turnkey projects which provide one stop solution to the customers through DSIR recognized inhouse Research &amp; Development department.</li> <li>✓ Product Sustainability - Power being a basic necessity and a large part of our country having huge power requirements makes our product sustainable in lieu of the demand.</li> <li>✓ Upgradation of technologies - We provide retrofit solutions bundled with the latest technologies to assist our customers overcome old technologies.</li> <li>✓ Flagship product - Bus Transfer System - Our company pioneered in the product used for process continuity on the power generation side.</li> <li>✓ Recognition from Niti Aayog - our company has been recognized by Niti Aayog as one of the first for profit Incubation centres for start ups in MP out of 3000 applications all over the country.</li> <li>✓ Financial/Commercial Strengths No funded debt on the books on the principal company Positive Cash Flows and adequate cash and cash equivalents.</li> <li>✓ Satisfactory covenants as per industry standards</li> </ul>	<ul style="list-style-type: none"> <li>✓ Significant investments for customised solutions: The company requires high investments in technical and human resources to provide customised solutions which could be not acceptable to the customers as compared to the benefits it may offer.</li> <li>✓ Significant risks to decide in which market opportunity to invest as it may lead to costly investments if the decision works against the industry wishlist Amongst the numerous opportunities, the management needs to decide the best which can take considerable resources.</li> <li>✓ Succession Planning needs considerable attention as the promoter directors need sound technical resources as back up.</li> <li>✓ High volume - low margin products vs low volume high margin products - The management needs to prioritize in which market segment the organization would like to be. A balance on this requires considerable sensitivity in the current business scenario.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>✓ To provide customised solutions in specialized energy applications with our proven expertise in other sectors including hydro and solar</li> <li>✓ To explore the startup space by engaging in innovative ideas through the NITI Aayog approved incubation centre</li> <li>✓ To be the first Ultracapacitor manufacturing unit in India through our subsidiary company.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Redundant Technology - The company can end up spending huge investments on a redundant technology as technologies are changing at a rapid speed</li> <li>✓ Significant attention and Appropriate investments in trademarks and patents are required. Absence of this may lead to legal disputes affecting business operations</li> <li>✓ Change in Industry standards and statutory provisions can lead to change in the business operations working and past business commitments will need to be honored at a cost.</li> </ul>

#### INFRASTRUCTURE & UTILITY

##### POWER:

Our Registered office requires power for the normal requirement of the Office for lighting, systems etc. Adequate power is available which is met through the electric supply at various sites and we arranged it for ourselves through Invertors.

##### WATER:

Water is required only for drinking and sanitary purposes and adequate water sources are available at the existing premises.

## LOCATION:

**Registered Office:** E-2/57, Ashirwad, Arera Colony, Bhopal (M.P.)-

### Factory:

**Unit-1:-** 35-A/36 Sector-B, Industrial Area, Mandideep, District Raisen, Madhya Pradesh (M.P.) India 462046.

**Unit-2:-** Kharsa No. 311, Near Him Cold Storage, Sector-1A, Parwanoo District Solan, Himachal Pradesh (H.P.) India 173220.

## HUMAN RESOURCE:

Human resource is an asset to any industry, sourcing and managing. We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently, we have 61 full time employees including Key Managerial Personal as on March, 31<sup>st</sup>, 2018. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

S. No.	Particular	Employees
1.	<b>Unit 1:-</b> 35-A/36 Sector-B, Industrial Area, Mandideep, District Raisen, Madhya Pradesh (M.P.) India 462046.	56
2.	<b>Unit 2:-</b> Kharsa No. 311, Near Him Cold Storage, Sector-1A, Parwanoo District Solan, Himachal Pradesh (H.P.) India 173220	5
<b>Total</b>		<b>61</b>

## AWARDS AND ACCREDITATION

Year	Major Event, Awards and Accreditation
1.	Aartechs in-house Research & Development department is recognized by Department of Scientific & Industrial Research, DSIR under its RDI program
2.	Aartech holds the acknowledgment for being one of the first 100% SAP enabled “Laghu Udhyyog Company” in Madhya Pradesh, India
3.	Company got the approval from NITI Aayog, for financial support for establishment of Atal Incubation Center.

## PLANT & MACHINERY

Our manufacturing unit have been setup by using the machineries and components which have been bought from reliable sources in the country as well as abroad. All the suppliers have been selected by the company on the basis of their past experience and competitive prices.

Our company has installed the following major machineries and equipment at the manufacturing facility:-

S. No	Description of Machinery	Quantity	Make	Power required to operate the Machine (KW)
1	Shearing Machine	1	RUBY	5.59275
2	Bending machine	1	RUBY	5.59275
3	Notching Machine	1	APEX	0
4	Grinding Machine	1	Hitachi	0
5	Grinding Machine	3	Hitachi	580
6	Stud Welding	1	Aartech	0.184
7	CO2 Welding	1	PANASONIC	0.84

8	Welding Machine	2	-	0.85
9	Drilling Machine	2	-	0.85
10	Wire Cutting	1	ESTOVIR	0.5
11	Ferruling	1	LETATWIN	0.016
12	Lugging	1	Sai Paradise	1.5
13	Wire Stripping	1	ESTOVIR	0.1
14	Relay Testing Kit	1	SAKOVA	0.24
15	Compressor	1	-	7.5
16	HV Tester	1	Insulation Meters Pvt. Ltd.	0.24
17	Meger	1	RISH Insu 5000 A/AK	0
18	Relay Test kit	2	Aartech	0.24

#### COLLABORATIONS/ TIE-UPS/JOINT VENTURES:

Except as disclosed in this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Prospectus.

#### MARKETING ARRANGEMENT:

- Having more than 25 years presence in Indian Power industry, we are having good contacts among buyers hence we remain in regular communications with buyers by email, over telecom and have periodically business meetings.
- Also we have our agents and they support us in our marketing and sales.
- We mostly have regular supply commitments with the existing customers. Also we keep adding some new reputed customers in our clientle and by this way our whole production remain book, almost whole year. We supply our available quantities of finished material to the existing customers, we already have commitments as well as supply to the new customers.
- We have experienced marketing and sales team who have good contacts with buyers and timely keep sending offers, quotations, negotiates for the available quantity and for the planned finished material.
- Having Global marketing network.
- We also participate in business conferences relating to our industry.

#### COMPETITION:

Competition emerges not only from organized sector and from both small and big regional and National players. In adverse and competitive market scenario also we are able to maintain our growth steadily due to our planned structure of operational policies. The company has accumulated extensive experience of executing contracts for the last years and our experience in this business has enabled us to provide quality services in response to customer's demand for best quality of services in timely manner. Some of our major competitors are:-

1. ABB (Switzerland).
2. SEL(USA).
3. Siemens (Germany).
4. ERL (India).
5. Wiscom (China)

#### CAPACITY AND CAPACITY UTILIZATION:

Particulars	Capacity	FY 2016 (Actual)	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Est.)	FY 2020 (Est.)
Bts 2000 Fast Bus Transfer System	Installed (Nos. Per Annum)	100 Nos.	100 Nos.	100 Nos.	103 Nos.	108.25 Nos.
	Utilized (Nos. Per Annum)	61 Nos.	49 Nos.	52 Nos.	53.56 Nos.	56.24 Nos.
	% of Utilization	61.00	49.00	52.00	52.00	52.00

Faradigm Ultracapacitors	Installed (Nos. Per Annum)	100 Nos.	100 Nos.	100 Nos.	103 Nos.	108.25 Nos.
	Utilized (Nos. Per Annum)	77 Nos.	22 Nos.	84 Nos.	86.52 Nos.	90.85 Nos.
	% of Utilization	77.00	22.00	84.00	84.00	84.00
Control Relay Panels	Installed (Nos. Per Annum)	2000 Nos.	2000 Nos.	2000 Nos.	2060 Nos.	2163 Nos.
	Utilized (MT Per Annum)	377 Nos.	516 Nos.	1556 Nos.	1602.68 Nos.	1682.81 Nos.
	% of Utilization	18.85	25.80	77.80	77.80	77.80
Load Checker	Installed (Nos. Per Annum)	10000 Nos.	10000 Nos.	10000 Nos.	10300 Nos.	10815 Nos.
	Utilized (Nos. Per Annum)	650 Nos.	280 Nos.	457 Nos.	470.71 Nos.	494.25 Nos.
	% of Utilization	6.50	2.80	4.57	4.57	4.57
Clip Current Limiting Protector	Installed (Nos. Per Annum)	30 Nos.	30 Nos.	30 Nos.	30 Nos.	30 Nos.
	Utilized (Nos. Per Annum)	-	-	-	-	-
	% of Utilization	-	-	-	-	-
Purewave Dstatcom	Installed (Nos. Per Annum)	-	-	-	-	-
	Utilized (MT Per Annum)	-	-	-	-	-
	% of Utilization	-	-	-	-	-
Pure Wave Ups	Installed (Nos. Per Annum)	-	-	-	-	-
	Utilized (Nos. Per Annum)	-	-	-	-	-
	% of Utilization	-	-	-	-	-
Gsun Innovation	Installed (Nos. Per Annum)	-	-	As per requirement of the Clients	As per requirement of the Clients	As per requirement of the Clients
	Utilized (Nos. Per Annum)	-	-	2072 Nos.	-	-
	% of Utilization	-	-	100.00	-	-
Best Case	Installed (MT Per Annum)	-	-	As per requirement of the Clients	As per requirement of the Clients	As per requirement of the Clients
	Utilized (MT Per Annum)	-	-	7826 Nos.	-	-
	% of Utilization	-	-	100.00	-	-

#### DETAILS OF PROPERTIES:

##### Intellectual Property

Our Company having own Logo, Trademarks, for more details please refer section “Government and Other Statutory Approvals” begins from the page no. 193 Patents, Copyrights, or any other Intellectual Property Rights.

##### Immovable Property

Details of our properties are as follows: -

**Properties Owned/Leased by the company:**

S. No.	Details of Properties	Licensor/Lessor/Vendor	Owned/Leased/License	Consideration/ Rental/ License Fees (in ₹)	Lease	Usage
1.	35-A/36 Sector-B, Industrial Area, Mandideep, District Raisen, Madhya Pradesh (M.P.) India 462046.	M.P. Audyogik Kendra Vikas Nigam (Jabalpur) Ltd.	Lease and License	Leave and License Deed dated August, 30 <sup>th</sup> , 1983 for a period of 99 Years, between M.P. Audyogik Kendra Vikas Nigam ( Jabalpur) Ltd. and Aartech Solonics Private Limited through its authorized signatory Mr. Anil Anant Raje for yearly leave and License fee of ₹ 17818/- and ₹ 54 as a annual ground rent.		Factory Unit I
2.	Kharsa No. 311, Near Him Cold Storage, Sector-1A, Parwanoo District Solan, Himachal Pradesh (H.P.) India 173220	Smt. Harvinder kaur	Rented	Rent Agreement dated February, 21, 2007 between Smt. Harvinder Kaur and Aartech Solonics Limited through its authorized signatory Mr. Anil Anant Raje on monthly rent of ₹ 11,000/-.		Factory Unit II
3.	Plot No. 10, D-Sector, Industrial Area, Ward No. 13, Mandideep Tah., Gouharganj, Dist. Raisen.	Indus Colonizers Private Limited and Shri Chandrabhan Lalchandani	Owned	Sale Deed dated January, 01 <sup>st</sup> , 2010 between Indus Colonizers Private Limited and Shri Chandrabhan Lalchandani and Aartech Solonics Limited through its authorized signatory Mr. Amit Anil Raje on Purchase Consideration of ₹ 3,12,500/- for 8 flats.		Residential Property
4.	Revenue Survey No. 314/2/1, 331/3, Village –Tara Sewania, Patwari Halka No. 4, Tehsil Huzur, Dist. Bhopal	Smt. Neeta Jain (Seac Relators Pvt Ltd)	Owned	Sale Deed dated February, 20 <sup>th</sup> , 2008 between Smt. Neeta Jain and Aartech Solonics Limited through its authorized signatory Mr. Anil Anant Raje on Purchase Consideration of ₹ 5,00,000/-.		Open Land
5.	E2/57, Arera Colony, Bhopal (M.P)-	Mr. Anil Anant Raje	Rented	Rent Agreement dated 1 <sup>st</sup> January, 2018 between Mr. Anil Anant Raje and Aartech Solonics Limited through its authorized signatory Mr. Amit Anil Raje on monthly rent of ₹ 1,50,000/-.		Registered Office

6	House No. 3, Samarth Parisar, E-8 Extension, Bawadia Kalan, Bhopal (MP)	Sarvottam Gruh Nirman Sahkari Sanstha Maryadit Bhopal & Samarth Builders and Developers	Owned	Sale Agreement dated 6/12/2007 between Sarvottam Gruh Nirman Sahkari Sanstha Maryadit Bhopal and Aartech Solonics Limited on Purchase consideration of Rs.23.84 lacs	Residential Property
7	Plot No 01, Phoenix Infra Future Pride, Rasuliya Pathar, Bhopal (Mp)	Phoenix Infra Estate International Ltd	Owned	Sale Agreement dated 11/04/2011 between Phoenix InfraEstate International Limited and Aartech Solonics Limited for a consideration of Rs. 12.62 Lacs	Commercial Plot

## INSURANCE

We maintain a range of insurance policies to cover our assets, risks and liabilities. Substantially all of our insurance policies related to our registered office, corporate office, Site offices and our movable property provide appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India. The information detailed in this Chapter has been obtained from the various legislation, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.*

*The statements produced 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 and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.*

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislation and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled "Government and Other Approvals" beginning on page no. 193 of this Draft Prospectus. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the field of value added wax based Performance Additives.

### STATUTORY LEGISLATIONS:

#### The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational and financial aspects of companies. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made a way to enactment of Companies Act, 2013. The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections 110 have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration payable to the directors by the companies is provided under Part II of the said schedule.

#### Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (—SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined behavior (whether directly or by implication). “Workplace” under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a “Local Complaint Committee” at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (“MSMED Act”) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rates notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

### **TAX RELATED LEGISLATIONS**

#### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

#### **Customs Regulations**

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 administered by Central Board of Excise and Customs under the Ministry of Finance.

### **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by center on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under.

Taxpayers with an aggregate turnover of Rs. 20 lacs would be exempted from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lacs. Small taxpayers with an aggregate turnover in preceding financial year up to Rs. 75 lacs (50 lacs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. 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 numbers 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.

GST has replaced 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.

### **Value Added Tax (“VAT”)**

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 (“the VAT Act”) of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of “taxable services”, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

### **Central Sales Tax Act, 1956**

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

## **GENERAL LEGISLATIONS**

### **The Competition Act, 2002**

The Competition Act, 2002 prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as “Individuals” and “Group”. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **The Consumer Protection Act, 1986 (COPRA)**

The Consumer Protection Act, 1986 (COPRA) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers disputes and matters connected therewith. COPRA protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant the following reliefs, that is, removal of defects, replacement of goods, compensation to the consumer, etc. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as “void” or “voidable”. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Transfer of Property Act, 1882 (“TP Act”)**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, 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 contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates

specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Specific Relief Act, 1963**

The Specific Relief Act, 1963 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 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.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **Trade Marks Act, 1999 (Trade Marks Act)**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

## **OTHER APPLICABLE LAWS**

### **The Factories Act, 1948**

Any premises including the precincts thereof where 10 or more workers are or were working on any day of the preceding 12 months and in any part of which a manufacturing process is being carried on with the aid of power or is ordinarily so carried on; or Any premises including the precincts thereof where 20 or more workers are or were working on any day of the preceding 12 months and in any part of which a manufacturing process is being carried on without the aid of power or is ordinarily so carried on.

### **The Industrial Employment (Standing Orders) Act, 1946**

The Industrial Employment (standing orders) Act requires employers in industrial establishments to formally define conditions of employment under them. It applies to every industrial establishment wherein 100 (reduced to 50 by the Central Government in respect of the establishments for which it is the Appropriate Government) or more workmen are employed. The Act calls for the submission of such conditions of work to the relevant authorities for their approval.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 as amended (the “Payment of Wages Act”) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub contractor and provides for the imposition of fines and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than Rs. 6,500 per month.

### **Employees’ Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“PF Act”), provides that every establishment employing more than 20 (twenty) persons, either directly or indirectly, in any other capacity whatsoever, is covered by the provisions of the PF Act. The employer of such establishment is required to make a monthly contribution matching to the amount of the employee’s contribution to the provident fund. It is also mandatory requirement to maintain prescribed records and registers and filing of forms with the PF authorities. The PF Act also imposes punishments on any person who violate any of the provisions of the schemes made under the PF Act and specifically on employers who contravene or default in complying with certain provisions of the PF Act. If the person committing an offence is a company, every person, who at the time the offence was committed was in charge of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be prosecuted accordingly.

### **The Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus specified under the Act to the employees. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also require for the submission of Annual Return in the prescribed form (FORM D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

### **Employees’ State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of “sickness, maternity and employment injury” and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both require to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 (“Act”) was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of 5 years is referred to as “gratuity”. The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in “Form A” and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in “Form B” has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in “Form U” to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

### **The Apprentices Act, 1961**

The Apprentices Act, 1961, as amended (the “Apprentices Act”) regulates and controls the programme of training of apprentices and matters connected there with. The term —Apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. “Apprenticeship Training” means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **The Workmen Compensation Act, 1923 (“WCA”)**

The Workmen Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976, as amended (“ER Act”) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **The Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961, as amended (“Maternity Benefit Act”) regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### **Child Labour (Prohibition and Regulation) Act, 1986**

This statute 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. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **The Contract Labour (Regulation & Abolition) Act, 1970**

Every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract Labour. Every contractor who employs or who employed on any day of the preceding twelve months 20 or more workmen. Has to register himself under The Contract Labour (Regulations & Abolition) Act, 1970.

### **Employee’s Compensation Act, 1923**

It applies to workmen employed in factories, mines, plantations, mechanically propelled vehicles, construction works and certain other hazardous occupations in any such capacity. In Case of Death - 50% of monthly wages X relevant factor or 1,20,000

whichever is more. In case of Permanent total disablement - 60% of monthly wages X relevant factor or 1,40,000 whichever is more. In case of Permanent partial disablement (If scheduled injury) % of compensation for total disablement as loss of earning capacity (If nonscheduled injury ) % of compensation for total disablement in proportion to loss of earning capacity. In case of temporary disablement 25% monthly wages in half monthly payments.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as “**Aartech Solonics Private Limited**” on August, 24<sup>th</sup>, 1982 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gwalior, Madhya Pradesh. Later the on, company was converted into public limited company and, the name of our Company was changed to —”Aartech Solonics Limited” and fresh Certificate of Incorporation dated April, 20<sup>th</sup>, 1992 was issued by the Registrar of Companies, Gwalior, Madhya Pradesh. For details of Conversion of Company, please refer to section titled “History and Certain Corporate Matters” beginning on page no. 106 of this Draft Prospectus.

Energy is the life blood of modern civilization. Reaching out to the needs of almost all types of energy related industries, Aartech serves the energy sector by providing comprehensive & desirable system solutions and thus creating great value to its stakeholders. Aartech Solonics Ltd is a System Solution Oriented R&D Enterprise in the field of Specialised and Selected Energy Applications. It provides technical expertise to all its customers in expanding energy market across the globe.

### Acronymed as:

**AARTECH: Always Apply Right Technology**

**SOLONICS: Dare to go SOLO and apply all available techniques to solve the Problem**

This comprehensive acronym itself defines Aartech Solonics & thus sets us apart in our ability to make a paradigm shift in providing system solutions to energy related problems. Aartech is continuously building on its core strength to identify, research, develop and deploy new technologies with a view to provide specialised system solutions for selected challenges posed by the ever increasing demand and utilisation of energy.

### Registered Office:

Registered Office of the Company is presently situated at E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016.

Date of Change of Registered office	Registered Office
On Incorporation	E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016

### Amendments to the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company since its inception:

Date of Amendment	Particulars
25 <sup>th</sup> , August, 1986	Increased in authorized capital from 5.00 Lacs to 10.00 Lacs.
20 <sup>th</sup> , April, 1992	Increased in authorized capital from 10.00 Lacs to 500.00 Lacs.
07 <sup>th</sup> , February, 2018	Increased in authorized capital from 500.00 Lacs to 1000.00 Lacs

### Major Events

The major events of the company since its incorporation in the particular financial year are as under:

Financial Year	Events
1982	Company was incorporated as Aartech Solonics Private Limited under Gwalior ROC.
1992	In order to showcase the company's presence in wide spectrum, the Company Changed its name from “Aartech Solonics Private Limited” to “Aartech Solonics Limited”, pursuant to conversion of company.
2011	Company registers himself as Manufacturer/Assembler/ Distributor of Ultra Capacitor, Control Panel, Electrical Products under Government of India, Ministry of Defence Research and Development Organization.
2012	Company registers himself as Distributor of Electrical Items under Aeronautical Development Establishment of Government of India, Ministry of Defence Research and Development Organization.

2017	Incorporation of two wholly owned subsidiary company – AIC Aartech Solonics Private Limited and Faradigm Ultracapacitors Private Limited.
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### Major Awards and Recognitions

S. No.	Major Awards and Recognitions	Year
1.	Aartechs in-house Research & Development department is recognized by Department of Scientific & Industrial Research, DSIR under its RDI program	2014
2.	Company got the approval from NITI Aayog, for financial support for establishment of Atal Incubation Center.	2017

### Subsidiaries/Holdings of the company

Our Company does not have any holding company and for details regarding our Subsidiaries, please refer to the chapter “Financial Information of Our Group Companies” on page no. 124 of this Draft Prospectus.

### Raising of Capital in form of Equity

For details of increase in equity capital of our company please refer section “Capital Structure” on page no. 39 of this Draft Prospectus.

### Injunction and restraining order

Our company is not under any injunction or restraining order, as on date of filing of the Draft Prospectus.

### Managerial Competence

For managerial Competence please refer to the section “Our management” on Page no. 109 of this Draft Prospectus.

### Acquisitions / Amalgamations / Mergers/ Revaluation of assets

No acquisitions / amalgamations / mergers or revaluation of assets have been done by the company.

### Total number of Shareholders of Our Company

As on the date of filing of this Draft Prospectus, the total numbers of equity shareholders are 60 (Sixty). For more details on the shareholding of the members, please see the section titled “Capital Structure” at page no. 39 of this Draft Prospectus.

### Main Objects as set out in the Memorandum of Association of the Company

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To develop full range of low tension Draw out motor control centres. Relay control panels, Thyristorised drive controls and Industrial Electronic products for use on low tension Electrical systems and to produce, repair, fabricate and assemble, purchase Import Export and manufacture Switch Boards, Control Panel, Control Cubicles and Switch- yard equipments and generally to deal with instruments.
2. To develop, produce, manufacture, repair, fabricate and assemble, purchase, Import and Export and to deal with all kinds of Electrical switches, Fuses, Releays, Circuit Breakers equipments for Contrl measurement, protection and Switching of Electrical energy and electricity.
3. To develop, produce, manufacture, repair, fabricate and assemble, purchase, Import and Export and to deal with all kinds of Electronic applied Industrial Equipments, Gadget Instruments Sets including those required for Telephone, Teleprinter, Telex system, Television, wireless and other aeronautical applications.

4. To develop produce, manufacture, repair, fabricate and assemble, purchase, import and export and generally deal with all kinds of electrical transformers and allied Equipments for generations, transmission, distribution and measurement of Electricity.
5. To carry on the business of Electrician, Electrical Engineers and Manufacturers of Low Tension, Switchgear products, Electrical machinery, Electrical apparatus for any purpose whatsoever and to manufacture, sale, supply and deal in wires, Cables, Accumulators, Lamps, Meters, Engines, Switchgears, Dynamos, Batteries and other scientific or measuring instruments of any kind.
6. To act as industrial and management consultants for any of the above and allied industries and also to act as electronic, electrical and mechanical design engineers and technical advisers.

#### **Shareholders' Agreements**

Our Company has not entered into any shareholders agreement as on the date of filing this Draft Prospectus.

#### **Other Agreements**

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Prospectus.

#### **Strategic Partners**

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

#### **Financial Partners**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Prospectus.

## OUR MANAGEMENT

In accordance with our Articles of Association, our Company is required to have not less than 3 (three) directors and not more than 15 (fifteen) directors. Our Company currently has 5 (five) directors on our Board out of which are 2 (Two) Executive Directors, 1 (One) Non-Executive Director and are 2 (Two) Independent Directors, they are:

- |                                    |                              |
|------------------------------------|------------------------------|
| 1. Mr. Anil Anant Raje             | Chairman & Managing Director |
| 2. Mr. Amit Anil Raje              | Whole Time Director          |
| 3. Mrs. Poonam Jaideep Mulherkar   | Non – Executive Director     |
| 4. Mr. Prashant Dattatray Lowlekar | Independent Director         |
| 5. Mr. Ravindra Kumar Shingwekar   | Independent Director         |

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:-

MR. ANIL ANANT RAJE	
Fathers Name	Mr. Anant Raje
Address	E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016
Age	72 years
Designation	Chairman & Managing Director
Status	Executive Non-Independent
DIN	<a href="#">01658167</a>
Occupation	Business
Nationality	Indian
Qualification	Bachelor of Engineering (Electrical)
No. of Years of Experience	40 Years
Date of Appointment	Initial: Whole Time Director
	Present: Chairman and Managing director from April 23 <sup>rd</sup> , 2018
Terms of Appointment	Appointed as Chairman and Managing director for 3 years from April, 23 <sup>rd</sup> , 2018 to 22 <sup>nd</sup> , April, 2021.
Other Directorships	1. AIC - Aartech Solonics Private Limited.      2. Faradigm Ultracapacitors Private Limited

MR. AMIT ANIL RAJE	
Fathers Name	Mr. Anil Raje
Address	15, Silver Oak Green Heights, Gulmohar Colony, Bhopal, (M.P) – 462038
Age	43 years
Designation	Whole Time Director
Status	Executive Non-Independent
DIN	00282385
Occupation	Business
Nationality	Indian
Qualification	B. Tech (Electrical Engineering) from I.I.T Mumbai and MSEE (Power System and Power Electronics) from university of Minnesota, Minneapolis, USA.
No. of Years of Experience	17 years
Date of Appointment	Appointed as Whole time Director from April 23 <sup>rd</sup> , 2018.
Terms of Appointment	Appointed as Whole time Director for 5 years from April 23, 2018 to 22 <sup>nd</sup> , April, 2023
Other Directorships	1. AIC- Aartech Solonics Private Limited.      2. Faradigm Ultracapacitors Private Limited

MRS. POONAM JAIDEEP MULHERKAR	
Fathers Name	Mr. Anil Raje

Address	A 601, Swagat Rainforest-1 Kudasan, Gandhinagar-, Gujarat 382001
Age	45 Years
Designation	Director
Status	Non-Executive and Independent
DIN	05262842
Occupation	Business
Nationality	Indian
Qualification	M.S. in Chemical Engineering from University of Cincinnati and M.S. in Biochemical Engineering from I.I.T Delhi
No. of Years of Experience	17 Years
Date of Appointment	Appointed as Director from 16 <sup>th</sup> , April, 2018.
Terms of Appointment	Holds office from 16 <sup>th</sup> , April, 2018, liable for retire by rotations
Other Directorships	----

<b>MR. RAVINDRA KUMAR SHINGWEKAR</b>	
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Fathers Name	Mr. Bhagwant Damodar Shingwekar
Address	E-3/193 Arera Colony Bhopal (MP) 462016
Age	61 years
Designation	Independent Director
Status	Non-Executive and Independent
DIN	08052203
Occupation	Business
Nationality	Indian
Qualification	B.E. (Electronics) from MANIT (NIT), Bhopal and PGDFM (PG Diploma in Finance Management) from IGNOU, Delhi.
No. of Years of Experience	38 Years
Date of Appointment	Appointed as Independent Director from February, 27 <sup>th</sup> , 2018.
Terms of Appointment	Appointed for 3 Years as an Independent Director from i.e. February, 27 <sup>th</sup> , 2018.
Other Directorships	----

<b>MR. PRASHANT DATTATRAY LOWLEKAR</b>	
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Fathers Name	Late Shri D M Lowlekar
Address	D-47 Vishnu Hi Tech City opp Ahmedpur Railway Crossing Near Dana Pani Restaurant Bawdia Kalan Bhopal, PIN- 462039
Age	51 Years
Designation	Independent Director
Status	Non-Executive and Independent
DIN	08041377
Occupation	Professional
Nationality	Indian
Qualification	Master of Commerce and Fellow Member (FCA) of The Institute of Chartered Accountants of India
No. of Years of Experience	23 Years
Date of Appointment	Appointed as Independent Director from February, 27 <sup>th</sup> , 2018
Terms of Appointment	Appointed for 3 Years as an Independent Director from i.e. February, 27 <sup>th</sup> , 2018.
Other Directorships	----

As on the date of the Draft Prospectus;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, 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.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Prospectus.
- E. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

### Relationship between the Directors

There is no relationship between any Directors of our Company except as described below:

Name of Director	Designation	Relation
Mr. Anil Anant Raje	Chairman & Managing Director	Father of Mr. Amit Anil Raje, Whole – Time Director, Mrs. Poonam Jaideep Mulherkar, Director and Mrs. Arati Nath, CFO
Mr. Amit Anil Raje	Whole Time Director	Son of Mr. Anil Anant Raje, Chairman & Managing Director and Brother of Mrs. Poonam Jaideep Mulherkar, Director and Mrs. Arati Nath, CFO
Mrs. Poonam Jaideep Mulherkar	Director	Daughter of Mr. Anil Anant Raje, Chairman and Managing Director and Sister of Mr. Amit Anil Raje, Whole Time Director

### Arrangement and understanding with major shareholders, customers, suppliers and others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

### Service Contracts

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as Managing Director and/or Whole-Time Director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

### Borrowing Powers of the Board of Directors

Our Articles, Subject to the provisions of the Companies Act, 2013, the Board shall have power to receive money on deposit or loan, borrow or raise money in such manner as the company shall think fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company (both present and future), including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company, or any other persons or company or any obligations undertaken by the company or any other person or company as the case may be, but the company shall not carry on Banking Business.

### Brief Profiles of Our Directors

#### 1. MR. ANIL ANANT RAJE

Mr. Anil Anant Raje, aged 72 years, had a meritorious career throughout, and completed his graduation in electrical engineer from MACT (now MANIT) in the year 1966- having stood 2<sup>nd</sup> in the merit list in the university. He is appointed as Chairman & Managing Director of the company. Mr. Anil Anant Raje is the founder of Aartech and has successfully held the helm of affairs of the company since its foundation in 1982, He possesses more than 40 years of experience in multi-dimensional aspects of business operations in the power sector.

## 2. MR. AMIT ANIL RAJE

Mr. Amit Anil Raje, aged 43 years, a qualified engineer with B.Tech. (Electrical Engineering) from I.I.T Mumbai (1995) and M.S.E.E. (Power System and power Electronics) from University of Minnesota, Minneapolis, USA: He is appointed as a Whole Time Director in the company. He possesses more than 17 years of experience at Aartech. He now spearheads all the new activities and developments inline with the stated objectives of the company. His interests are in working on selected and specialized energy applications in the field of control, protection and Automation, process continuity with Fast Bus Transfer, Energy Storage and Pulse Power Application using Ultracapacitors, Fault Current Limiters, Power Quality Solution, Load Limiting and other such custom specific application.

## 3. MRS. POONAM JAIDEEP MULHERKAR

Mrs. Poonam Jaideep Mulherkar, aged 45 years, has done her qualification of M.S. in Biochemical Engineering from the I.I.T. Delhi and M.S. in Chemical Engineering from the University of Cincinnati She is appointed as a director in the company. She possesses more than 17 years of experience at Aartech, she now spearheads all the new activities and developments inline with the stated objectives of the company. Her interests are, working in Chemical Engineering consultancy using expertise in pharmaceutical production. She is having work experience as Senior Technical Manager- Emerging Markets, Global Tech Svcs, Pfizer Inc. also as Senior Engineer – Manufacturing Sciences, Vacaville, Genentech Inc., Group leader in downstream purification supporting detailed design, startup, commissioning and qualification of Genentech’s new facility with such vast experience company receive a extreme support from her.

## 4. MR. RAVINDRA KUMAR SHINGWEKAR

Mr. Ravindra Kumar Shingwekar, aged 61 years, is a qualified B.E. (Electronics) from the MANIT (NIT) Bhopal and has also done his PGDFM from IGNOU Delhi. He is appointed as an Independent Director in the company. He possesses more than 38 years of experience of expertise in Engineering Design, Contract Engineering, Technical Project Management, Tendering & Marketing, Quality Control Management, Manufacturing, Production Planning, Shop Testing, Customer Inspection and Commissioning & Trouble shooting support of control equipment for generators, turbines, large current rectifiers and Electronic controls for electrostatic precipitators, Electrical and Electronics Engineering, Quality Assurance and Commissioning/troubleshooting. Design, Manufacturing, shop testing and performance assessment. Contract negotiation and service agreement management. Business development and customer relationship building.

## 5. MR. PRASHANT DATTATRAY LOWLEKAR

Mr. Prashant Dattatrey Lowlekar, aged 51 years, is a qualified Fellow Member (FCA) of the Institute of Chartered Accountants of India. He is appointed as an Independent Director of the company. He possesses more than 23 years of experience. He worked as a Partner in a Firm Named A V Lowlekar and Co. C.A for two years and then he was appointed as an internal auditor by the united group. He has also worked as an Internal Auditor in their two Listed Companies Namely United Soya Products Limited and Columbia Electronics Limited, since 1993 he is a partner of a firm named “MAMTANI AND LOWLEKAR”.

### Compensation and Benefits to the Managing Director and Whole-Time Director are as follows:

Name	Mr. Anil Anant Raje	Mr. Amit Anil Raje
Designation	Chairman And Managing Director	Whole Time Director
Date of Appointment	23/04/2018	23/04/2018
Period	3 Years	5 Year
Salary	Rs. 1,31,635/- p.m.	Rs. 1,54,872/- p.m.
Perquisite/Benefits	Re-imbusement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Chairman.	Re-imbusement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Whole Time Director.
Compensation/ remuneration paid during the F.Y. 2017-18	Rs. 12,41,240/- p.a.	Rs. 15,10,065/- p.a.

### Sitting fees payable to Non-Executive Directors.

Till date, we have not paid any sitting fees to our Non- Executive Directors.

### Shareholding of Directors:

The shareholding of our directors as on the date of this Draft Prospectus is as follows:

S. No.	Name of Directors	No. Equity Shares held	Category/ Status
1.	Mr. Anil Anant Raje	15,58,667	Executive and Non Independent
2.	Mr. Amit Anil Raje	10,21,067	Executive and Non Independent
3.	Mrs. Poonam Jaideep Mulherkar	93,333	Non-Executive and Non-Independent

### Interest of Directors

All the non-executive directors of the company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Except as stated under section titled “Related Party Transaction” on page no. 128 of this Draft Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which our directors are interested directly or indirectly.

### Changes in the Board of Directors during the Last Three Years

Name of Directors	Date of Appointment	Date of change in Designation	Date of Cessation	Reason for the changes in the board
Mr. Anil Anant Raje	-	23.04.2018	-	Change in Designation to Chairman & Managing director
Mr. Amit Anil Raje	-	23.04.2018	-	Change in designation to Whole Time Director
Mr. Ravindra Kumar Shingwekar	27.02.2018	-	-	Appointed as Independent Director
Mr. Prashant Dattatray Lowlekar	27.02.2018	-	-	Appointed as Independent Director

### Corporate Governance

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Prospectus, as our Company is coming with an issue in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Composition of Board of Directors

Currently the Board has 5 (Five) Directors, of which the Chairman of the Board is Executive Director. In compliance with the requirements of Companies Act, 2013, our Company has 2 (Two) Executive Director, 1 (one) Non-Executive Director and 2 (Two) Independent Directors on the Board.

Composition of Board of Directors is set forth in the below mentioned table:

S. No.	Name of Directors	Designation	Status	DIN
1.	Mr. Anil Anant Raje	Chairman & Managing Director	Executive Director	01658167
2.	Mr. Amit Anil Raje	Whole Time Director	Executive Director	00282385
3.	Mrs. Poonam Jaideep Mulherkar	Director	Non-Executive Director	05262842
4.	Mr. Ravindra Kumar Shingwekar	Independent Director	Independent Director	08052203
5.	Mr. Prashant Dattatray Lowlekar	Independent Director	Independent Director	08041377

### Constitutions of Committees

Our company has constituted the following Committees of the Board;

- 1. Audit Committee; and**
- 2. Stakeholders Relationship Committee; and**
- 3. Nomination and Remuneration Committee.**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder;

#### 1. Audit Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, in its Meeting held on December, 27<sup>th</sup>, 2017, constituted Audit Committee.

The constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Prashant Dattatray Lowlekar	Chairman	Independent Director
Mr. Ravindra Kumar Shingwekar	Member	Independent Director
Mr. Amit Anil Raje	Member	Whole Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### Terms of Reference:

- The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
  - 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

- c. Significant adjustments made in the financial statements arising out of audit findings
- d. Compliance with listing and other legal requirements relating to financial statements
- e. Disclosure of any related party transactions
- f. Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party; Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;
- v. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vi. Scrutiny of Inter-corporate loans and investments;
- vii. Reviewing and discussing 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;
- viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- ix. Valuation of undertakings or assets of the company, where ever it is necessary;
- x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
- xi. Carrying out any other function as assigned by the Board of Directors from time to time.

#### Review of Information

- i. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Internal Auditor.

#### Powers of Committee

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Quorum and Meetings

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

#### 2. Stakeholders Relationship Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, in its Meeting held on December, 27<sup>th</sup>, 2017, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Ravindra Kumar Shingwekar	Chairman	Independent Director
Mr. Anil Anant Raje	Member	Chairman & Managing Director
Mr. Amit Anil Raje	Member	Whole Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

## Terms of Reference

To supervise and ensure;

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- ii. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- iii. Issue duplicate/split/consolidated share certificates;
- iv. Dematerialization/Rematerialization of Share;
- v. Review of cases for refusal of transfer / transmission of shares and debentures;
- vi. Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; and
- vii. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

## Quorum and Meetings

The Stakeholders Relationship Committee shall meet at least four times a year and not more than one hundred and twenty days shall elapse between two meetings and shall report to the board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the company. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

### 3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, in its Meeting held on December, 27<sup>th</sup>, 2017, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Ravindra Kumar Shingwekar	Chairman	Independent Director
Mr. Prashant Dattatray Lowlekar	Member	Independent Director
Mrs. Poonam Jaideep Mulherkar	Member	Non-Executive Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

## Terms of reference

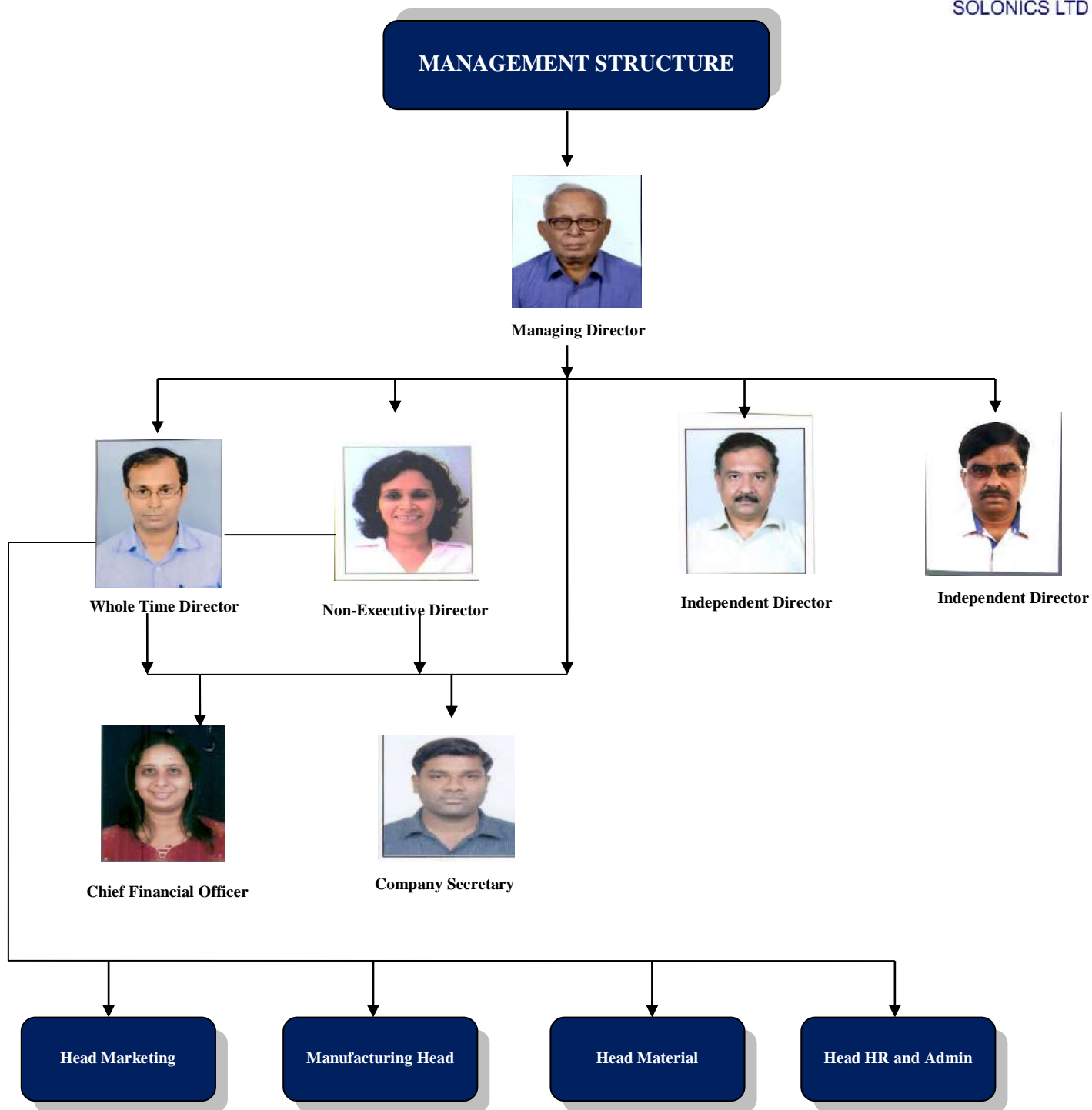
- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.

## Quorum and Meetings

The Committee is required to meet at least once a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

## Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart:



## Our Key Management Personnel

The Key Managerial Personnel of our Company other than our Executive Director are as follows:-

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2017-18 (Rs. in Lakhs)
<b>Name</b>	Mrs. Arati Nath	PGDBA-Finance, Bachelor of Commerce	Bank Of America	Rs.15,94,296 (Confirm)
<b>Designation</b>	Chief Financial Officer			
<b>Date of Appointment</b>	December, 27 <sup>th</sup> , 2017			
<b>Overall Experience</b>	14 years of Experience She held the position of a GM, Operations in Aartech Solonics Limited from April 2015			
<b>Name</b>	Mr. K R Tanuj Reddy	Bachelor of Commerce, Master of Commerce, L.L.B and Company Secretary	Appointed as Company Secretary in People's General Hospital Private Limited	-
<b>Designation</b>	Company Secretary & Compliance Officer			
<b>Date of Appointment</b>	08 <sup>th</sup> , June, 2018			
<b>Overall Experience</b>	I) Worked as a Management Trainee at M/s DPA & Associates, Practicing Company Secretaries Firm, Bhopal from 23.01.2015-25.01.2016. II) Worked as an Associate with M/s Piyush Bindal & Associates, Practicing Company Secretaries, Bhopal from 01.05.2016-30.11.2017 III) CS - Peoples General Hospital Private Limited Bhopal, from 01.12.2017-31.05.2018			

## Bonus or Profit sharing plan for the Key Management Personnel

Our has not issue any bonus shares or issue profit sharing plan to our Key Managerial personnel as otherwise specified in this Draft Prospectus for more details please refer Section title "Capital Structure" beginning from page no. 39.

## Changes in the Key Management Personnel

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Draft Prospectus, otherwise than by way of retirement in due course.

Name of Key Management Personnel	Date of Appointment	Date of change in Designation	Date of Cessation	Reason for the changes in the board
Mr. Anil Anant Raje	-	23 <sup>rd</sup> , April, 2018	-	Change in designation to Chairman & Managing Director
Mr. Amit Anil Raje	-	23 <sup>rd</sup> , April, 2018	-	Change in Designation to whole Time Director
Ms. Steffi Binoy	01 <sup>st</sup> , Nov., 2017	-	-	Appointed as Company Secretary & Compliance Officer.
Mrs. Arati Nath	27 <sup>th</sup> , Dec., 2017	-	-	Appointed as Chief Financial officer.
Ms. Steffi Binoy	01 <sup>st</sup> , Nov., 2017	-	27 <sup>th</sup> , May, 2018	Resigned from the position of Company Secretary & Compliance Officer.
Mr. K R Tanuj Reddy	08 <sup>th</sup> , June, 2018	-	-	Appointed as Company Secretary & Compliance Officer.

## Employee Stock Option Scheme

As on the date of filing of Draft Prospectus, our company had not issued ESOP Scheme to its employees.

### Relation of the Key Managerial Personnel with our Promoters/ Directors:

Name of Key Managerial Personnel	Designation	Relation
Mr. Anil Anant Raje	Chairman & Managing Director	Father of Mr.. Amit Anil Raje, Whole Time Director, Mrs. Poonam Jaideep Mulherkar, Director, Mrs. Arati Nath, CFO.
Mr. Amit Anil Raje	Whole Time Director	Son of Mr. Anil Anant Raje, Chairman & Managing Director and Brother of Mrs. Poonam Jaideep Mulherkar, Director and Mrs. Arati Nath, CFO.
Mrs. Arati Nath	Chief Financial Officer	Daughter of Mr. Anil Anant Raje, Chairman & Managing Director and Sister of Mrs. Poonam Jaideep Mulherkar, Director & Mr. Amit Anil Raje, Whole Time Director.

### Payment of Benefit to Officers of Our Company (non-salary related)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

#### Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.

### Shareholding of the Key Management Personnel:

S. No.	Name of KMP	Designation	No. of Equity Shares
1.	Mr. Anil Anant Raje	Chairman & Managing Director	15,58,667
2.	Mr. Amit Anil Raje	Whole Time Director	10,21,067
3.	Mrs. Arati Nath	CFO	91,490
4.	Mr. K R Tanuj Reddy	CS	---

None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company.


## OUR PROMOTERS AND PROMOTERS GROUP


The Promoters of our Company are:

### INDIVIDUAL PROMOTERS

1. Mr. Anil Anant Rajee
2. Mrs. Chhaya Rajee

### DETAILS INDIVIDUAL PROMOTERS:

	<p>Mr. Anil Rajee, 72 years of age, is a Bachelor of Engineering (Electrical Branch) from MACT (now MANIT) in 1966 (2<sup>nd</sup> Batch)-having stood 2<sup>nd</sup> in the merit list in the university. He possess more than 40 years of experience in multi-dimensional aspects of business operations in the power sector. He is one of the Promoters of our Company and has the distinction of leading the Company. He was appointed as Director of the company on August, 24<sup>th</sup>, 1982. After a brief stay with L&amp;T, Powel, he started his entrepreneurial career at Mumbai in 1971, in 1982, he return back and lay the foundation of Aartech Solonics. He is pioneer in the design, development and implementation of the first generation import substitute fast bus transfer system for the thermal power stations and process industries in India and is and internationally acknowledged expert in this field with several international conference papers to his credit.</p>	
<b>Mr. Anil Anant Rajee</b>		
<b>Age</b>	72 Years	
<b>PAN</b>	AAUPR8628K	
<b>Passport Number</b>	P9917108	
<b>Voter Identification No.</b>	JLQ6387823	
<b>Driving License</b>	MP04R20160167743	
<b>Name of Bank</b>	Bank of India	
<b>Bank Account Number</b>	900210100003917	
<b>Educational Qualification</b>	Bachelor of Engineering (Electrical)	
<b>Present Residential Address</b>	E-2/57, Ashirvad Arera Colony, Bhopal MP- 462016.	
<b>Position/posts held in the past</b>	He was Director cum Promoter – Member of the Company since incorporation of the Company i.e from 24 <sup>th</sup> , August, 1982.	
<b>Directorship held</b>	1. Aic- Aartech Solonics Private Limited	2. Faradigm Ultracapacitors Private Limited
<b>Other Ventures</b>	---	

	<p>Mrs. Chhaya Rajee, 70 years of age, is a Master of Science from Indore University in 1969 having stood 2<sup>nd</sup> in the merit list in the university. She possess more than 38 years of experience. As qualified chemical scientist, Mrs. Chaya Rajee is a founding member of Aartech. She contributed significantly in the finance and accounts operations at Aartech, in the past. She has been the anchor point of the company in ensuring its sustenance with practical financial prudence while serving the best interests of even the smallest stakeholder in the company.</p>	
<b>Mrs. Chhaya Rajee</b>		

<b>Age</b>	70 Years
<b>PAN</b>	AAUPR8392Q
<b>Passport Number</b>	P9922911
<b>Voter Identification No.</b>	JLQ6387831
<b>Driving License</b>	NA
<b>Name of Bank</b>	Bank of India
<b>Bank Account Number</b>	900210100003991
<b>Educational Qualification</b>	Master of Science
<b>Present Residential Address</b>	E-2/57 Ashirwad, Udairam diagnostic centre, arera Colony, Huzur, Bhopal, R.S. Nagar, Madhya Pradesh, 462016
<b>Position/posts held in the past</b>	She was Director cum Promoter – Member of the Company since incorporation of the Company i.e from 24 <sup>th</sup> , August, 1982.
<b>Directorship held</b>	<b>NIL</b>
<b>Other Ventures</b>	<b>NIL</b>

#### Other Ventures of our Promoters

For details pertaining to other ventures of our Promoters, refer chapter titled “Financial Information of our Group Companies” beginning on page no. 124 of this Draft Prospectus.

#### Declaration

We declare and confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our individuals Promoters and Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the addresses of the Registrars of Companies where the company is registered have been submitted to the Stock Exchange on which the specified securities are proposed to be listed at the time of filing the Draft Prospectus with the Stock Exchange.

#### Confirmations

Our Promoters have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Further, none of our Promoters have been directly or indirectly, debarred from accessing the capital market or have been restrained by any regulatory authority from, directly or indirectly, acquiring the securities or any other authorities.

Additionally, none of our Promoters have direct or indirect relation with the companies, its promoters and whole time director, which are compulsorily delisted by any recognized stock exchange.

We and our promoters/ promoting company, group companies, companies promoted by the promoters/ promoting company confirms that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against them;
- There is/are no default in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title –“Outstanding Litigation and Material Developments” appearing on page no. 189 of this Draft Prospectus.

### Change in the control or management of the Issuer during the Last Three Years:

Name of Directors	Date of Appointment	Date of change in Designation	Date Cessation of	Reason for the changes in the board
Mr. Anil Anant Raje	-	23 <sup>rd</sup> , April, 2018	-	Change in Designation to Chairman & Managing director
Mr. Amit Anil Raje	-	23 <sup>rd</sup> , April, 2018	-	Change in designation to Whole Time Director
Mr. Ravindra Shingwekar	27 <sup>th</sup> , Feb., 2018	-	-	Appointed as Independent Director
Mr. Prashant D Lowlekar	27 <sup>th</sup> , Feb., 2018	-	-	Appointed as Independent Director

### Relationship of Promoters with each other and with our Directors:

Name of Director	Designation	Relation
Mr. Anil Anant Raje	Chairman and Whole time Director (Promoter)	Husband of Mrs. Chhaya Raje, Promoter. Father of Mr. Amit Anil Raje, Managing Director and Mrs. Poonam Jaideep Mulherkar, Director.
Mrs. Chhaya Raje	Promoter	Wife of Mr. Anil Anant Raje, Chairman and Whole time Director (Promoter). Mother of Mr. Amit Anil Raje, Managing Director and Mrs. Poonam Jaideep Mulherkar, Director.

### Interest of our Promoters

Except as stated in “Related Party Transaction” beginning on page no. 128 of this Draft Prospectus and to the extent of compensation / sitting fees to be paid and reimbursement of expenses to be made in accordance with their respective terms of appointment, our Promoters do not have any other interest in our business.

Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please refer Annex. A.VIII and B.VIII “Related Party Transactions” on page no. 128 of this Draft Prospectus.

- Our Promoters do not have any interest in any property acquired by our Company in the period of two (2) years before filing this Draft Prospectus except as stated otherwise in this Draft Prospectus.
- We have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the promoters are directly or Indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements and no such payments are proposed to be made to them as except as stated otherwise in this Draft Prospectus.

For further details on Interest of Our Promoters, please refer to heading titled “Properties” on page no. 82 under chapter titled “Business overview” and “Related Party Transaction” beginning on page no. 128 of this Draft Prospectus.

### Payment of benefits to our Promoters

Except as stated in the section “Related Party Transactions” on page no. 128 of this Draft Prospectus, there has been no payment of benefits made to our Promoters during the two years preceding the filing of this Draft Prospectus.

### Our Promoter Group

Promoter and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations. In addition to our Promoter named above, the following individuals and entities form a part of the Promoter Group:

**A. Natural persons who are part of our Individual Promoter Group:**

Relationship with Promoter	Mr. Anil Anant Raje	Mrs. Chhaya Raje
<b>Father*</b>	Late Mr Anant Raje	Late Anant Sadashiv Deshmukh
<b>Mother*</b>	Late Nirmala Raje	Late Vimal Anant Deshmukh
<b>Spouse</b>	Mrs Chaya Raje	Mr. Anil Anant Raje
<b>Brothers</b>	---	---
<b>Sisters</b>	Mrs Asha Gupte	Dr Vinodani Ashok Karnik, Mrs Kishori Ajit Pradhan, And Mrs Jyoti Narendra Randive
<b>Sons</b>	Mr Amit Raje	Mr Amit Raje
<b>Daughter</b>	Mrs Arati Nath And Mrs Poonam Jaideep Mulhekar	Mrs Arati Nath And Mrs Poonam Jaideep Mulhekar
<b>Spouse's Father</b>	Late Anant Sadashiv Deshmukh	Late Mr Anant Raje
<b>Spouse's Mother</b>	Mrs Vimal Anant Deshmukh	Late Nirmala Raje
<b>Spouse's Brothers</b>	---	---
<b>Spouse's Sisters</b>	Dr Vinodani Ashok Karnik, Mrs Kishori Ajit Pradhan, And Mrs Jyoti Narendra Randive	Mrs Asha Gupte

\*As per Regulations 2(zb) of ICDR Regulations, 2009, definition of promoter group, "promoter group" includes: (i) the promoter; (ii) *an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse)*; the persons specified above are forming part of promoter group. Due to death of the above persons. Thus the details are not available with us, as a result cannot provide any documents in relation to the same to your good offices and nor to the public. For the purpose we have take a declaration from the promoter dated August, 18<sup>th</sup>, 2018.

**Companies related to "Corporate promoter"--our Promoter Company:**

Nature of Relationship	Entity
Subsidiary or holding company of Promoter Company.	-----
Any Body corporate in which promoter (Body Corporate) holds 10% or more of the equity share capital or which holds 10% or more of the equity share capital of the promoter (Body Corporate).	-----
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.	----

**B. Companies, Proprietary concerns, HUF's related to our promoters**

Nature of Relationship	Entity
Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	1. Faradigm Ultracapacitors Private Limited. 2. AIC- Aartech Solonics Private Limited.
Any Body corporate in which Body Corporate as provided above holds ten percent or more of the equity share capital.	-----
Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent.	-----

For further details on our Promoter Group refer Chapter Titled – "Financial Information of our Group Companies" beginning on page no. 124 of this Prospectus.

## FINANCIAL INFORMATION OF OUR GROUP COMPANIES

The definition of “Group Companies” was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated December, 27<sup>th</sup>, 2017, our Board has formulated a policy with respect to companies/entities which it considered material to be identified as group companies/entities, pursuant to which the following entities are identified as Group Companies/Entities of our Company.

1. Faradigm Ultracapacitors Private Limited.
2. AIC- Aartech Solonics Private Limited.

Except as stated above, there are no companies/entities which are considered material by the Board of Directors of our Company to be identified as group companies/entities.

As per sub clause C (2) of clause (IX) of Schedule VIII, we have provided the financial information of unlisted group companies/entities.

### 1. FARADIGM ULTRACAPACITORS PRIVATE LIMITED (FUPL):

<b>Date of Incorporation</b>	July 28 <sup>th</sup> , 2017		
<b>Main objects:</b>	Company is engaged in the business of research, design, development and manufacturing of energy storage devices such as Ultracapacitors (also known as Supercapacitors or electrochemical double layers capacitors) and energy storage applications.		
<b>CIN</b>	U74999MP2017PTC043840		
<b>PAN Card No.</b>	AADCF1650M		
<b>Registered Office Address</b>	E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh-462016, India.		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Mr. Anil Anant Raje	Director	
	Mr. Amit Anil Raje	Director	
<b>Audited Financial Information</b>	<b>(Rs. In Lacs, except per share data)</b>		
	<b>For The Year Ended</b>		
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>Paid up Equity Share Capital</b>	1.00	N.A	N.A
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Misc. Expenses, if any )</b>	(11.07)	N.A	N.A
<b>Net Worth</b>	(10.07)	N.A	N.A
<b>Income including other income and exceptional Items</b>	0.02	N.A	N.A
<b>Profit/ (Loss) after tax</b>	(11.07)	N.A	N.A
<b>Earnings per share (face value of Rs. 10/- each)</b>	0.00	N.A	N.A
<b>Net asset value per share</b>	0.00	N.A	N.A

\*As on date of Draft Prospectus

### Shareholding Pattern

As on date of this Draft Prospectus, the following are the Shareholders of the FUPL;

Sr. No.	Name of the shareholder	Number of Equity shares held	Percentage holding (%)
1.	M/s Aartech Solonics Limited	9,500	95.00
2.	<b>For and on the behalf of Aartech Solonics Limited:</b> Mr. Anil Anant Raje	500	5.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

### Nature and extent of interest of our Promoters:-

Our Promoters i.e., Mr. Anil Anant Rajee holds 500 shares on behalf of Aartech and so basically is a wholly owned subsidiary of Aartech Solonics Ltd.

Paradigm Ultracapacitors Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 2. AIC- AARTECH SOLONICS PRIVATE LIMITED (AASPL):

<b>Date of Incorporation</b>	May 17 <sup>th</sup> , 2017		
<b>Main objects:</b>	Company is engaged in the business to set up and implement the Atal Incubation Centre (AIC) in partnership with Atal Innovation Mission, NITI Aayog with an objective of supporting innovative technology-based startup enterprises in India.		
<b>CIN</b>	U74999MP2017PTC043330		
<b>PAN Card No.</b>	AAPCA5799Q		
<b>Registered Office Address</b>	E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh-462016, India.		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Mr. Anil Anant Rajee	Director	
	Mr. Amit Anil Rajee	Director	
<b>Audited Financial Information</b>	<b>(Rs. In Lacs, except per share data)</b>		
	<b>For The Year Ended</b>		
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>Paid up Equity Share Capital</b>	1.00	N.A
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Misc. Expenses, if any )</b>	(10.31)	N.A	N.A
<b>Net Worth</b>	(9.31)	N.A	N.A
<b>Income including other income and exceptional Items</b>	52.70	N.A	N.A
<b>Profit/ (Loss) after tax</b>	(10.31)	N.A	N.A
<b>Earnings per share (face value of Rs. 10/- each)</b>	0.00	N.A	N.A
<b>Net asset value per share</b>	0.00	N.A	N.A

\*As on date of Draft Prospectus

### Shareholding Pattern

As on date of this Draft Prospectus, the following are the Shareholders of the AASPL;

Sr. No.	Name of the shareholder	Number of Equity shares held	Percentage holding (%)
1.	M/s Aartech Solonics Limited	9,500	95.00
2.	<b>For and on the behalf of Aartech Solonics Limited:</b> Mr. Anil Anant Rajee	500	05.00
<b>Total</b>		<b>10,000</b>	<b>100.00</b>

### Nature and extent of interest of our Promoters:-

Our Promoters i.e., Mr. Anil Anant Rajee holds 500 shares on behalf of Aartech and so basically is a wholly owned subsidiary of Aartech Solonics Ltd.

AIC- Aartech Solonics Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

#### **Loss Making and Negative Net worth Group Companies:-**

For details of our Loss making and Negative Net worth Companies, Please refer the chapter titled “Financial Information of Our Group Companies” beginning on Page no. 124 of this Draft Prospectus.

#### **Litigations:-**

For details on litigations and disputes pending against the Group Company/entities, if any, please refer to the section titled “Outstanding Litigations and Material Developments” on page no. 190 of this Draft Prospectus.

#### **Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group or the Group Companies has become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.

#### **Nature and Extent of Interest of Group Companies:-**

**a. In the promotion of our Company:**

None of our Group Company has any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified in chapter titled “Auditors Report and Financial Information of the Company” and 130 Related Party Transactions” on page no. 128 of this Draft Prospectus.

**b. In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Prospectus with stock exchange:**

Our Group Company do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Draft Prospectus with Stock Exchange except as disclosed in this Draft Prospectus.

**c. In transactions for acquisition of land, construction of building and supply of machinery.**

Except as stated in the Chapter titled “Business Overview” and “History and Certain Corporate Matters” beginning on page no. 82 & 106 of this Draft Prospectus, our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

### **Common Pursuits/Conflict of Interest:**

Except for as disclosed in this Draft Prospectus, none of our Promoter/ Group Company has any common pursuits. For details please refer to chapter titled “Our Promoter and Promoter Group” on page no. 119 of this Draft Prospectus. As on the date of this Draft Prospectus, we cannot assure that our Promoter, Promoter Group/Group Company will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Related business transaction within the Group and their significance on the financial performance of the company:**

For details relating to the business transactions within the Group Companies and their significance on the financial performance of the Company see the chapter titled “Auditors Report and Financial Information of our Company” page no. 130 and “Restated Statement of Related Party Transactions” on page no. 128 of this Draft Prospectus.

### **Sales / Purchase between our Company and Group Companies:**

For details relating to sales or purchases between our Company and any of our Group Companies exceeding 10% of the sales or purchases of our Company see the chapter titled “Auditors Report and Financial Information of our Company” and “Restated Statement Related Party Transactions” on page no. 130 and 128 of this Draft Prospectus.

### **Business Interests amongst our Company and Group Companies /Associate Companies**

Except as mentioned under “Restated Statement of Related Party Transactions”, beginning on page no 128 under Chapter titled “Auditors Report and Financial Information of our Company” page no. 130 there is no other business interest among Group Company.

### **Defunct /Struck-off Company**

None of Promoters, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this draft prospectus.

### **Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, under Chapter titled “Auditors Report and Financial Information of our Company” beginning on page no. 130 of this Draft Prospectus, there have been no changes in the accounting policies in the last three years.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transaction of our Company, see “Annexure A.VIII” and “Annexure B.VIII” to Accounts to the financial statements respectively, in “Auditors Report and Financial Information of our Company” beginning from page no. 130 of this Draft Prospectus.

## DIVIDEND POLICY

Under the Companies Act, 2013 our company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

The dividends declared by our Company on the Equity Shares during fiscals year 2013-2014, 2014-2015, and 2015-2017 are detailed in the following table:

Particulars	March, 31 <sup>st</sup> , 2014	March, 31 <sup>st</sup> , 2015	March, 31 <sup>st</sup> , 2016	March, 31 <sup>st</sup> , 2017	March, 31 <sup>st</sup> , 2018
Face value per Equity Share (₹)	10	10	10	10	10
Dividend (₹ in Lakhs)	24.70	24.70	24.70	-	-
Dividend (in ₹ per Equity Share)	0.5	0.5	0.5	-	-
Equity Share Capital (₹)	494.01	494.01	494.01	494.01	494.01
Rate of dividend (%)	5%	5%	5%	-	-

However, our dividend history is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we are not permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

**SECTION VI – FINANCIAL INFORMATION COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**Independent Auditors' Report**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

To,  
The Board of Directors,  
Aartech Solonics Limited  
E-2/57, Ashirvad Arera Colony,  
Bhopal MP- 462016

Dear Sir,

We have examined the attached Restated Standalone Financial Information of Aartech Solonics Limited (Formerly Known as Aartech Solonics Private Limited and hereinafter referred to as “the Company”) prepared by the management of the company in terms of requirement of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rule 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed upon with you, in connection with the proposed Initial Public Offer (IPO) of the Company.

These Restated Standalone Financial Information have been extracted by the Management of the Company from:

The Company’s Standalone Audited Financial Statements for years ended, March 31<sup>st</sup>, 2018, 2017, 2016, 2015, and 2014 and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Standalone Financial Information, are the responsibility of the Company’s Management. The Standalone Financial Statement of the Company for the financial year ended March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014 have been audited by M/s. Spark Associates as sole statutory auditors and had issued unqualified reports for these years.

In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

The Restated Standalone Statement of Assets and Liabilities as at March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014 examined by us, as set out in Annexure – I (along with Annexure I.1 to I.18) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Standalone Financial Statements’ appearing in Annexure- IV and ‘ Notes to the Restated Standalone Financial Statements’ appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Standalone Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial interim years.

The Restated Standalone Statement of Profit and Loss of the Company for financial years ended on March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014 examined by us, as set out in Annexure – II (along with Annexure II.1 to II.8) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Standalone Financial Statements’ appearing in Annexure- IV and ‘ Notes to the Restated Standalone Financial Statements’ appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Standalone Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

The Restated Standalone Statement of Cash flows of the Company for the Financial years ended March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014, examined by us, as set out in Annexure – III (to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Standalone Financial Statements’ appearing in Annexure- IV and ‘ Notes to the Restated Standalone Financial Statements’ appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Standalone Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

Based on the above, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Standalone Financial Information:

We have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at March 31<sup>st</sup>, 2018.

Have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and;

Do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information and do not contain any qualification requiring adjustments.

We have also examined the following other Restated Standalone Financial Information as set out in the Annexure to this report and forming part of the Restated Standalone Financial Information, prepared by the management of the Company and approved by the Board of Directors, relating to the company for the Financial years ended March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014:

<b>Particulars</b>	<b>Annexure No.</b>
Restated Standalone Statement of Share Capital	<b>A.I.1</b>
Restated Standalone Statement of Reserve & Surplus	<b>A.I.2</b>
Restated Standalone Statement of Long Term Borrowings	<b>A.I.3</b>
Restated Standalone Statement of Deferred Tax liability/Assets (net)	<b>A.I.4</b>
Restated Standalone Statement of Other Non Current Liabilities	<b>A.I.5</b>
Restated Standalone Statement of Short Term Borrowings	<b>A.I.6</b>
Restated Standalone Statement of Trade Payable	<b>A.I.7</b>
Restated Standalone Statement of Other Current Liabilities	<b>A.I.8</b>
Restated Standalone Statement of Short Term provision	<b>A.I.9</b>
Restated Standalone Statement of Fixed Assets	<b>A.I.10</b>
Restated Standalone Statement of Non – Current Investments	<b>A.I.11</b>
Restated Standalone Statement of Long Term Loans & Advances (net)	<b>A.I.12</b>
Restated Standalone Statement of Other Non Current Assets (net)	<b>A.I.13</b>
Restated Standalone Statement of Current Investments	<b>A.I.14</b>
Restated Standalone Statement of Inventories	<b>A.I.15</b>
Restated Standalone Statement of Trade Receivables	<b>A.I.16</b>
Restated Standalone Statement of Cash and Bank Balances	<b>A.I.17</b>
Restated Standalone Statement of Short Term Loans and Advances	<b>A.I.18</b>
Restated Standalone Statement of Other Current Assets	<b>A.I.19</b>
Restated Standalone Statement of Revenue from operations	<b>A.II.1</b>
Restated Standalone Statement of Other Income	<b>A.II.2</b>
Restated Standalone Statement of Cost of Direct Expenses	<b>A.II.3</b>
Restated Standalone Statement of Changes in Inventories	<b>A.II.4</b>

Restated Standalone Statement of Employees Benefit Expenses	<b>A.II.5</b>
Restated Standalone Statement of Finance Cost	<b>A.II.6</b>
Restated Standalone Statement of Depreciation and Amortisation	<b>A.II.7</b>
Restated Standalone Statement of Other Expenses	<b>A.II.8</b>
Restated Standalone Statement of Current tax	<b>A.II.9</b>
Restated Standalone Statement of Contingent Liabilities	<b>A.VII</b>
Restated Standalone Statement of Related Party Transaction	<b>A.VIII</b>
Restated Standalone Statement of Accounting Ratios	<b>A.IX</b>
Restated Standalone Statement of Capitalisation	<b>A.X</b>
Restated Standalone Statement of Tax Shelters	<b>A.XI</b>
Restated Standalone Statement of Financial Indebtness	<b>A.XII</b>
Restated Standalone Statement of Dividend	<b>A.XIII</b>
Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries	<b>A.XIV</b>

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, nor should this report be construed as an opinion on any of the Standalone Financial Information referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above Restated Standalone Financial Information contained in Annexure I to XIV to this report read along with the Basis of Preparation and Significant Accounting policies (Refer Annexure – IV) and Notes to Restated Standalone Financial Information (Refer Annexure – VI) after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

Our report is intended solely for use of the Management and for inclusion in the offer documents or in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For Baheti & Company,  
Chartered Accountants  
Firm Regn. No.- 006287C

(Deepak Baheti)  
Partner  
M.N.-075063

Place: Bhopal  
Dated: 20<sup>th</sup>.08.2018

Restated Standalone Balance Sheet

Particulars	Note No.	As at March, 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>I. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' Funds</b>						
Share capital	<b>I.1</b>	494.01	494.01	494.01	494.01	494.01
Reserves and surplus	<b>I.2</b>	1,297.22	1,182.66	1,152.57	1,158.96	1,102.08
<b>2 Non-current Liabilities</b>						
Long-term borrowings	<b>I.3</b>	-	-	-	-	-
Deferred tax liabilities (Net)	<b>I.4</b>	4.37	7.18	9.59	11.28	10.22
Other Non-Current Liabilities	<b>I.5</b>	-	8.43	-	-	-
<b>3 Current Liabilities</b>						
Short-term borrowings	<b>I.6</b>	-	49.58	-	-	-
Trade payables	<b>I.7</b>	48.49	148.88	124.95	135.57	102.38
Other current liabilities	<b>I.8</b>	8.18	8.51	7.31	11.28	16.56
Short-term provisions	<b>I.9</b>	85.81	46.53	83.68	110.91	79.09
<b>TOTAL</b>		<b>1,938.08</b>	<b>1,945.78</b>	<b>1,872.11</b>	<b>1,922.00</b>	<b>1,804.34</b>
<b>II. ASSETS</b>						
<b>1 Non-current assets</b>						
Fixed assets	<b>I.10</b>					
Tangible assets		206.60	247.32	261.64	279.40	319.20
Intangible Assets		-	-	-	-	-
Capital Work in Progress		-	-	-	-	0.91
Non Current Investments	<b>I.11</b>	258.85	313.36	308.04	274.41	247.62
Long-term loans and advances	<b>I.12</b>	319.72	33.10	23.18	23.56	21.98
Other Non Current Assets	<b>I.13</b>	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	-	-
<b>2 Current assets</b>						
Current Investments	<b>I.14</b>	183.82	266.80	-	-	-
Inventories	<b>I.15</b>	388.91	380.39	226.57	201.93	239.77
Trade Receivables	<b>I.16</b>	345.45	316.61	514.24	600.32	322.39
Cash and cash equivalents	<b>I.17</b>	199.59	254.25	306.92	317.34	417.32
Short-term loans and advances	<b>I.18</b>	18.89	96.23	9.52	12.46	8.63
Other Current Assets	<b>I.19</b>	16.24	37.72	222.01	212.59	226.51
<b>TOTAL</b>		<b>1,938.08</b>	<b>1,945.78</b>	<b>1,872.11</b>	<b>1,922.00</b>	<b>1,804.34</b>

Restated Standalone Profit and Loss Account

articulars		Note No.	For the year ended 31 <sup>st</sup> , March				
			2018	2017	2016	2015	2014
I.	Revenue from operations	II.1	1130.28	1,272.85	973.38	923.26	886.04
II.	Other income	II.2	78.23	69.20	52.47	71.09	67.75
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>1208.50</b>	<b>1,342.05</b>	<b>1,025.84</b>	<b>994.35</b>	<b>953.79</b>
IV	Expenses:						
	Cost of Material Consumed	II.3	599.74	975.05	584.74	333.54	524.83
	Changes in inventories of Stock-in-Trade	II.4	(1.61)	(161.18)	(52.51)	68.13	(9.08)
	Employee benefits expense	II.5	233.10	256.21	263.11	263.96	272.68
	Finance costs	II.6	7.52	7.64	17.72	9.20	19.88
	Depreciation and amortization expense	II.7	31.25	31.70	33.96	28.95	27.05
	Other expenses	II.8	201.47	200.38	152.73	148.45	186.55
	<b>Total expenses</b>		<b>1071.47</b>	<b>1,309.81</b>	<b>999.75</b>	<b>852.24</b>	<b>1,021.91</b>
<b>V.</b>	<b>Profit before tax (III-IV)</b>		<b>137.04</b>	<b>32.25</b>	<b>26.09</b>	<b>142.11</b>	<b>(68.12)</b>
	<b>Less; Exceptional Item</b>		-	-	-	-	-
	<b>Profit after Exceptional Item</b>		<b>137.04</b>	<b>32.25</b>	<b>26.09</b>	<b>142.11</b>	<b>(68.12)</b>
VI	Tax expense:						
	(1) Current tax	II.9	22.71	4.57	4.97	28.43	-
	(2) Deferred tax		(2.81)	(2.41)	(1.69)	1.06	2.29
	(3) MAT Credit		-	-	-	-	-
<b>VII</b>	<b>Profit (Loss) for the period (V-VI)</b>		<b>117.58</b>	<b>30.09</b>	<b>22.81</b>	<b>112.62</b>	<b>(70.41)</b>
	Weighted avg. no. of Share		49.40	49.40	49.40	49.40	49.40
	Earning per equity share:						
	Basic & Diluted EPS of Face Value of Rs. 10 each (In Rupees)		2.38	0.61	0.46	2.28	-1.43

Restated Cash Flow Statement

Particulars	For the year ended 31 <sup>st</sup> , March				
	2018	2017	2016	2015	2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Cash flow from Operating Activities</b>					
Net Profit Before tax as per Statement of Profit & Loss	137.04	32.25	26.09	142.11	(68.12)
Adjustments for :					
Depreciation & Amortisation Exp.	31.25	31.70	33.96	28.95	27.05
Dividend Income	-8.81	(8.26)	(4.49)	(4.35)	(2.61)
Interest/ Other Income Received	-17.05	(10.18)	(19.73)	(23.28)	(21.94)
(Profit)/Loss on Sale of Fixed Assets	-20.21	(5.17)	(4.20)	(20.47)	(2.57)
Finance Cost	-	-	-	-	-
Other Non Operating Income	-32.15	-	(24.05)	(23.18)	(36.30)
Revenue Government Grant	-	-	-	-	-
<b>Operating profit before working capital changes</b>	<b>90.06</b>	<b>40.34</b>	<b>7.58</b>	<b>99.79</b>	<b>(104.49)</b>
Movements in working capital :					
(Increase)/ Decrease in Inventories	(8.53)	(153.82)	(24.64)	37.84	11.56
(Increase)/Decrease in Trade Receivables	28.84	197.62	86.08	(277.93)	414.08
(Increase)/Decrease in Loans & Advances	77.34	(86.71)	2.95	(3.84)	42.38
(Increase)/Decrease in Other Current Assets	21.47	184.30	(9.21)	13.93	(39.47)
Increase/(Decrease) in Deferred Revenue Grant	-	4.48	-	-	-
Increase/(Decrease) in Short-term Provisions	29.56	(10.60)	(1.52)	2.46	14.91
Increase/(Decrease) in Trade Payables	(100.39)	23.93	(10.61)	33.19	(26.62)
Increase/(Decrease) in Short-term Borrowings	-	-	-	-	-
Increase/(Decrease) in Other Current Liabilities	(0.33)	1.36	-	(5.32)	8.17
<b>Cash Generated From Operations</b>	<b>80.35</b>	<b>200.90</b>	<b>50.62</b>	<b>(99.89)</b>	<b>320.52</b>
Income tax paid during the year	(12.54)	(1.93)	(34.44)	-	(73.60)
<b>Net cash from operating activities (A)</b>	<b>67.80</b>	<b>198.97</b>	<b>16.18</b>	<b>(99.89)</b>	<b>246.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	(19.16)	(25.99)	(16.20)	(14.34)	(15.96)
Sale of Fixed Assets	26.89	0.06	-	-	-
Purchase of Fixed Deposits	-	(245.66)	(334.41)	(40.45)	(114.39)

Purchase/(Sale) of Investments	(0.02)	(367.11)	(105.15)	(128.92)	(108.92)
Investments in Subsidiaries	(1.95)	-	-	-	-
Grant received from Government	-	12.50	-	-	-
Utilisation of grant received	(9.72)	-	-	-	-
Long term Loans & Advances	(277.24)	-	-	-	-
Security Deposit paid	(9.39)	(9.92)	-	(1.58)	(13.05)
Maturity of current investment	-	-	-	-	46.39
Proceeds from marketable securities	139.46	94.99	71.51	102.14	35.02
Maturity of fixed deposit made during the year (Net of purchases)	19.81	304.04	415.75	-	-
Realisation of security deposit	-	-	0.38	-	-
Other non-operating income	32.15	-	24.05	23.18	36.30
Net gain/(- loss) on sale of investments	20.21	5.17	4.20	20.47	2.57
Dividend Income	8.81	8.26	4.49	4.35	2.61
Interest Income	17.05	10.18	19.73	23.28	21.94
<b>Net cash from investing activities (B)</b>	<b>(53.07)</b>	<b>(213.49)</b>	<b>84.35</b>	<b>(11.87)</b>	<b>(107.50)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from short term borrowings	-	49.58	-	-	-
Proceeds from long term borrowings	-	-	-	-	-
Proceeds From Issue of Equity Shares	-	-	-	-	-
Security premium on issue of equity shares	-	-	-	-	-
Payment of Dividend and Dividend distribution Tax	-	(29.35)	(29.61)	(28.67)	(28.47)
Repayment of Short Term Loan	(49.58)	-	-	-	-
Repayment of Long Term Loan	-	-	-	-	-
<b>Net cash from financing activities (C)</b>	<b>(49.58)</b>	<b>20.23</b>	<b>(29.61)</b>	<b>(28.67)</b>	<b>(28.47)</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents (A+B+C)</b>	<b>(34.85)</b>	<b>5.71</b>	<b>70.93</b>	<b>(140.43)</b>	<b>110.95</b>
Cash and cash equivalents at the beginning of the year	127.28	121.58	50.65	191.08	80.13
<b>Cash and cash equivalents at the end of the year</b>	<b>92.43</b>	<b>127.28</b>	<b>121.58</b>	<b>50.65</b>	<b>191.08</b>

#### ANNEXURE – IV

### **Basis of Preparation and Significant Accounting Policies and Practices of the Restated Standalone Financial Statements for the Financial years ended March 31 of 2018, 2017, 2016, 2015, and 2014.**

#### **Company Overview:**

The Aartech Solonics Limited. was originally incorporated as “Aartech Solonics Private Limited” on February, 24th, 1982 under the provisions of the Companies Act, 1956. Aartech Solonics Limited is large manufacturers of electrical equipment, general purpose and special purpose machinery and equipment. We are one of the most competitive cost producers and are well placed to serve the growing demands of electrical equipment, general purpose and special purpose machinery and equipment all over the world. The company displays an exquisite blend of expertise and innovation in the field of Electrical equipment manufacturing.

#### **Basis of Preparation of Financial Statement:**

The Restated Standalone Financial Information has been prepared by applying necessary adjustments to:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied.

With the effect from 1st April 2014, Schedule III notified under the Act, has become applicable to the company for the preparation and presentation of its financial statements. Accordingly, previous year’s figures have been regrouped/reclassified wherever applicable. Appropriate reclassification/regrouping have been made in the Restated Standalone Financial information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations. The financial statements are prepared in Indian rupees round off to the nearest Lacs.

#### **Use of Estimates:**

The preparation of the financial statements is in conformity with Generally Accepted Accounting principles which require management to make estimates/ assumptions that affect the reported amount of Assets and Liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Examples of such estimates are useful lives of fixed assets, income taxes and provision for doubtful debts. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

#### **Fixed Assets, Depreciation and Amortization:**

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Cost comprises the purchase price and any attributable cost of bringing the asset to its present location working condition of its intended use.

Depreciation/ Amortization on addition/ deletion to fixed assets are calculated pro-rata from/ up to the date of such addition/ deletions. Depreciation is provided on Written down Value on the cost of tangible assets less estimated residual value in accordance with the rates prescribed under Schedule II to the Companies Act, 2013.

#### **Impairment of assets:**

On an annual basis the company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is higher of an asset’s net selling price and value in use. Value is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

#### **Borrowing Cost:**

Borrowing Cost directly attributable to acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are

substantially ready for their intended use. All other borrowing costs are recognized in Statement of Profit and loss in the period in which they are incurred.

#### **Investment:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

#### **Revenue Recognition:**

Sales are recorded at Invoice Value, net of VAT/Sales Tax but including Excise duty. Revenue from sales is recognized at the point of dispatch when risk and reward of ownership stand transferred to the customers.

Revenue is recognized to the extent that it is probable that economic benefit will flow to the co. and revenue can be reliably measured. Revenue from operations (Gross) is net of adjustment on account of cancellation>Returns, Excise duty deducted from revenue gross.

Income of interest on refund of income tax is accounted for in the year, the order is passed by the concerned authority and Dividend income is accounted for when the right to receive it is established.

Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted on receipt basis.

Excise duty is accounted on the basis of both, Payment made in respect of goods cleared as also provision made for goods lying in factory.

Interest subsidy shall be accounted for on the basis of receipt/approval received from competent authority.

#### **Foreign currency Transaction:**

##### **Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### **Exchange Difference**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year/period, or reported in previous financial statements, are recognised as income or as expenses in the year/period in which they arise except those arising from investments in non-integral operations.

##### **Employee Benefits**

##### **Provident Fund**

The contribution remitted to government administered Provident and Pension Fund on behalf of its employees in accordance with the relevant statute are charged to the Statement of Profit & Loss as and when due. The Company has no further obligation for the future Provident/ Pension fund benefits other than its monthly contributions.

##### **Post Employment Benefit Plans (Retirement and other employee benefits)**

Retirement benefit in the form of provident fund is a defined benefit obligation of the company and the contribution is charged to statement of profit and loss of the year when the contributions to the funds are due. The company is liable to meet the shortfall, if any, in payment of interest at the rates declared by the central government and such liability is recognized in the year of shortfall.

#### **Other Employee Benefits**

The short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include leave encashment, arrears on account of salary increment, Festival and dearness allowance etc.

#### **Taxation:**

##### **Current Tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements.

##### **Deferred Tax**

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts.

Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **Earnings Per Share**

The earnings considered in ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic Earnings Per Share is the weighted average number of shares outstanding during the year. Diluted earnings per equity shares are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### **Inventories**

Raw material, Store & Spare, Component - At cost (FIFO method) or net realizable value, whichever is lower. Process Stock- At cost or net realizable value, whichever is lower. Cost for this purpose includes direct material cost plus appropriate share of manufacturing overheads.

Finished Stocks- A cost or net- realizable value whichever is lower. Cost for this purpose includes direct material cost plus appropriate share of overhead inclusive of excise duty.

Work in progress- Work in progress valued on the basis of direct cost i.e. raw material and variable manufacturing expenses only.

### Related Party Transactions

Disclosure is being made separately for all the transactions with related parties as specified under Accounting Standard 18, issued by the Institute Chartered Accountants of India. Micro, Small & Medium Enterprises Development Act, 2006.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises. Consequently the amount paid/ payable to these parties during the year is not ascertainable. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from the date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act. This has been relied upon by the auditors.

### ANNEXURE –V: MATERIAL ADJUSTMENT TO THE RESTATED STANDALONE FINANCIAL STATEMENT

#### Material Regrouping:

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

#### Material Adjustments:

The Summary of results of restatement made in the Audited Standalone Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Net Profits as per audited financial statements (A)</b>	<b>117.58</b>	<b>30.09</b>	<b>22.81</b>	<b>112.62</b>	<b>(70.41)</b>
Add/(Less) : Adjustments on account of -	-	-	-	-	-
Prior Period Taxes charged to P/L	-	-	-	-	-
Provision for Taxation	-	-	-	-	-
<b>Total Adjustments (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>117.58</b>	<b>30.09</b>	<b>22.81</b>	<b>112.62</b>	<b>(70.41)</b>

**Notes:** On Material Adjustments pertaining to prior years:  
Prior Period Taxes Charged to Profit & Loss  
NIL

**Provision for Taxation**  
NIL

**ANNEXURE-A. I.1: RESTATED STANDALONE STATEMENT OF SHARE CAPITAL**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Authorized Capital</b>					
Equity shares of Rs. 10/- each	1000.00	500.00	500.00	500.00	500.00
Issued, Subscribed & Fully Paid Up					
Equity Shares of Rs. 10 each	494.01	494.01	494.01	494.01	494.01
<b>Total</b>	<b>494.01</b>	<b>494.01</b>	<b>494.01</b>	<b>494.01</b>	<b>494.01</b>

**Notes:**

Out of the above issued, subscribed and paid up share capital 44,03,094 equity shares (previous year 44,03,094 equity shares) have been issued as fully paid up bonus shares by capitalization of reserves.

Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing AGM. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of the preferential amounts in proportion to the number of equity shares held by the shareholders.

**Reconciliation of No. of Shares Outstanding at the end of the year**

(No. in Lakhs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Shares outstanding at the beginning of the year</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>
Shares issued during the year	-	-	-	-	-
Bonus Shares issued during the year	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-
<b>Share outstanding at the end of the year</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>

**Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	For The Year Ended March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
	No.	%	No.	%	No.	%	No.	%	No.	%
Mr. Anil Anant Raje	15.59	31.55	15.59	31.55	15.59	31.55	15.59	31.55	15.59	31.55
Mr. Prajakta Kulkarni	10.92	22.10	10.92	22.10	10.92	22.10	10.92	22.10	10.92	22.10
Mr. Amit Anil Raje	10.21	20.67	10.21	20.67	10.21	20.67	10.21	20.67	10.21	20.67
Mrs. Chhaya Anil Raje	9.33	18.89	9.33	18.89	9.33	18.89	9.33	18.89	9.33	18.89

**ANNEXURE – A.I.2: RESTATED STANDALONE STATEMENT OF RESERVES AND SURPLUS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Capital Reserve</b>					
Balance as at the beginning of the year	35.52	35.52	35.52	35.52	35.52
Add: Addition during the year	-	-	-	-	-
Balance as at the end of the year	35.52	35.52	35.52	35.52	35.52
<b>Security Premium Reserve</b>					
Balance as at the beginning of	0.40	0.40	0.40	0.40	0.40

the year					
Add: Addition during the year	-	-	-	-	-
Balance as at the end of the year	0.40	0.40	0.40	0.40	0.40
<b>General Reserve</b>					
Balance as at the beginning of the year	969.15	969.15	969.15	969.15	969.15
Add: Addition during the year	-	-	-	-	-
Balance as at the end of the year	969.15	969.15	969.15	969.15	969.15
<b>Balance in Statement of Profit &amp; Loss</b>					
Balance as at the beginning of the year	177.58	147.50	153.88	97.00	206.62
Add: Profit/(Loss)for the year	117.58	30.09	22.81	112.62	(70.41)
(Less): Proposed Dividend	-	-	24.70	24.70	24.70
(Less): Provision for Dividend Distribution Tax	-	-	4.49	4.94	4.01
(Less): Transfer to Capital Grant ( DST Uplift Project)	3.03	-	-	-	-
(Less): Income tax	-	-	-	-	10.50
(Less): Share of Minority Interest	-	-	-	-	-
(Less): Net Transitional Value of Fixed Asset	-	-	-	26.10	-
Balance as at the end of the year	292.14	177.58	147.50	153.88	97.00
<b>Grand Total</b>	<b>1,297.22</b>	<b>1,182.66</b>	<b>1,152.57</b>	<b>1,158.96</b>	<b>1,102.08</b>

#### ANNEXURE – A.I.3 : RESTATED STANDALONE STATEMENT OF LONG TERM BORROWINGS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Secured:</b>					
<b>Term Loan:</b>					
From Banks	-	-	-	-	-
From NBFC	-	-	-	-	-
Vehicle Loans	-	-	-	-	-
Minority Interest	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Less : Amount disclosed under the head "Other current liabilities" (Refer Note I.7)</b>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

#### ANNEXURE – A.I.4: RESTATED STANDALONE STATEMENT OF DEFERRED TAX LIABILITY

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Balance as at the beginning of the year	7.18	9.59	11.28	10.22	7.93
Add: Deferred Tax Liability/( Asset) arising on account of difference in depreciation as per Companies Act and as per Income Tax Act	(2.95)	(1.75)	(1.81)	0.81	2.58
Add: Deferred Tax Liability/( Asset) arising on account of	0.15	(0.67)	0.12	0.25	(0.29)

Section 43B of Income Tax Act					
Add: Deferred Tax Liability/(Asset) arising on account of Section 35D of Income Tax Act	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>4.37</b>	<b>7.18</b>	<b>9.59</b>	<b>11.28</b>	<b>10.22</b>

**Deferred Tax is recalculated**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Due to Fixed Assets</b>					
Depreciation as per Companies Act	31.74	31.70	33.96	28.95	27.05
Depreciation as per Income Tax Act	22.74	26.65	28.39	31.44	34.99
<b>Difference between WDV (A)</b>	<b>(8.99)</b>	<b>(5.05)</b>	<b>(5.57)</b>	<b>2.49</b>	<b>7.94</b>
<b>Due to unpaid Bonus</b>					
Unpaid bonus not deductible u/s 43B of Income Tax Act for the previous year paid in the current year	4.00	2.07	2.43	3.22	2.45
Unpaid bonus not deductible u/s 43B of Income Tax Act	3.43	4.00	2.07	2.43	3.34
<b>Other Effects (B)</b>	<b>0.57</b>	<b>(1.92)</b>	<b>0.36</b>	<b>0.78</b>	<b>(0.89)</b>
<b>Due to Preliminary Expenses</b>					
As per Companies Act	-	-	-	-	-
As per Income Tax Act	-	-	-	-	-
<b>Other Effects (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>(8.43)</b>	<b>(6.97)</b>	<b>(5.21)</b>	<b>3.27</b>	<b>7.05</b>
Estimated average annual tax rate	0.26	0.35	0.32	0.32	0.32
Net deferred tax liability/(asset)	(2.81)	(2.41)	(1.69)	1.06	2.29
Less opening Amount	7.18	9.59	11.28	10.22	7.93
<b>Deferred Tax Income/(Expense)</b>	<b>4.37</b>	<b>7.18</b>	<b>9.59</b>	<b>11.28</b>	<b>10.22</b>

**ANNEXURE – A.I.5: RESTATED STANDALONE STATEMENT OF OTHER NON-CURRENT LIABILITIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Un-utilised Capital Grant	-	3.95	-	-	-
Deferred Revenue Government Grant	-	4.48	-	-	-
Capital Grant From Niti Ayog	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>8.43</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – A.I.6: RESTATED STANDALONE STATEMENT OF SHORT TERM BORROWINGS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Secured Loan Repayable on Demand	-	-	-	-	-
Cash Credit facility from Axis	-	49.58	-	-	-

Bank					
<b>Total</b>	-	49.58	-	-	-

#### ANNEXURE – A.I.7: RESTATED STANDALONE STATEMENT OF TRADE PAYABLES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
-Micro and Small Enterprises	0.04	32.18	12.10	0.08	1.91
- Others	48.45	116.70	112.85	135.49	100.47
<b>Total</b>	<b>48.49</b>	<b>148.88</b>	<b>124.95</b>	<b>135.57</b>	<b>102.38</b>

#### ANNEXURE – A.I.8: RESTATED STANDALONE STATEMENT OF OTHER CURRENT LIABILITIES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Advances from Customers	2.35	3.84	1.49	3.90	5.42
Other Expenses Payable	4.84	3.04	3.00	5.62	7.92
Unpaid Dividends	0.15	0.15	0.31	0.27	0.24
Revenue Grant Received in advance	-	-	-	-	-
Deposit against salary	0.84	1.48	2.52	1.48	2.98
<b>Total</b>	<b>8.18</b>	<b>8.51</b>	<b>7.31</b>	<b>11.28</b>	<b>16.56</b>

#### ANNEXURE – A. I.9: RESTATED STANDALONE STATEMENT OF SHORT TERM PROVISIONS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Provision for Employee Benefit	63.27	40.53	39.49	38.44	34.07
Provision for Income Tax	9.71	2.64	9.45	34.72	9.45
Provision for Proposed Dividend	-	-	24.70	24.70	24.70
Provision for DDT	-	-	4.49	4.49	4.01
TDS Payable	1.69	1.57	1.84	2.21	5.71
VAT/CST Payable	-	1.25	3.40	5.18	1.00
Service tax Payable	-	0.07	0.03	0.48	0.05
GST Payable	10.74	-	-	-	-
Other Miscellaneous Payable	-	-	-	-	-
Entry Tax Payable	-	0.21	0.19	0.15	0.01
Professional Tax Payable	0.39	0.26	0.08	0.09	0.09
<b>Total</b>	<b>85.81</b>	<b>46.53</b>	<b>83.68</b>	<b>110.91</b>	<b>79.09</b>

#### ANNEXURE – A.I.10: RESTATED STANDALONE STATEMENT OF FIXED ASSETS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Tangible Assets</b>					
<b>Land</b>					
Gross Block	17.91	17.59	17.59	17.59	17.59
Less: Accumulated Depreciation	-	-	-	-	-
Net Block	17.91	17.59	17.59	17.59	17.59
<b>Building</b>					
Gross Block	186.99	176.59	165.02	152.66	151.11
Less: Accumulated Depreciation	55.74	49.98	44.60	41.47	36.64
Less: Net Transitional Value	-	-	-	(1.87)	-

Net Block	131.25	126.61	120.42	113.06	114.46
<b>Plant &amp; Machinery</b>					
Gross Block	49.18	76.08	76.08	75.31	74.97
Less: Accumulated Depreciation	48.52	47.67	42.85	37.56	34.65
Less: Net Transitional Value	-	-	-	0.48	-
Net Block	0.67	28.41	33.23	37.26	40.32
<b>Electrification</b>					
Gross Block	18.64	18.59	18.59	18.59	18.59
Less: Accumulated Depreciation	13.06	11.30	9.56	5.81	4.24
Less: Net Transitional Value	-	-	-	1.99	-
Net Block	5.58	7.29	9.02	10.79	14.34
<b>Office Equipments</b>					
Gross Block	33.16	27.74	25.95	25.24	24.28
Less: Accumulated Depreciation	32.98	27.19	22.18	9.84	6.23
Less: Net Transitional Value	-	-	-	7.50	-
Net Block	0.18	0.55	3.77	7.90	18.05
<b>Computers</b>					
Gross Block	52.01	51.51	48.72	46.46	44.58
Less: Accumulated Depreciation	52.01	49.24	48.72	37.22	33.70
Less: Net Transitional Value	-	-	-	8.10	-
Net Block	0.00	2.26	0.00	1.13	10.87
<b>Testing equipment</b>					
Gross Block	31.49	31.49	31.29	31.29	31.29
Less: Accumulated Depreciation	14.95	12.96	10.97	7.19	5.27
Less: Net Transitional Value	-	-	-	1.79	-
Net Block	16.54	18.53	20.32	22.30	26.02
<b>Furniture &amp; Fixtures</b>					
Gross Block	60.20	59.48	58.48	58.38	51.34
Less: Accumulated Depreciation	39.44	33.76	28.14	17.48	12.20
Less: Net Transitional Value	-	-	-	5.11	-
Net Block	20.76	25.72	30.33	35.78	39.14
<b>Vehicles</b>					
Gross Block	48.61	48.61	48.58	48.58	45.10
Less: Accumulated Depreciation	43.18	37.41	31.65	23.30	18.82
Less: Net Transitional Value	-	-	-	2.57	-
Net Block	5.43	11.20	16.93	22.70	26.27
<b>Tools</b>					
Gross Block	13.65	13.65	13.65	13.65	13.65
Less: Accumulated Depreciation	5.35	4.49	3.62	2.35	1.51
Less: Net Transitional Value	-	-	-	0.41	-
Net Block	8.30	9.16	10.03	10.89	12.14
<b>Total Tangible Assets</b>	<b>206.60</b>	<b>247.32</b>	<b>261.64</b>	<b>279.40</b>	<b>319.20</b>
<b>Capital Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.91</b>

#### ANNEXURE – A. I.11: RESTATED STANDALONE STATEMENT OF NON-CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Investments in Equity Instruments	0.55	0.55	0.55	0.55	0.55
Investment in Silver Coin	0.06	-	-	-	-
Investment in Subsidiary	1.95	-	-	-	-
Investment in Property	129.64	129.69	129.38	129.22	128.81
Investment In mutual Fund	126.64	183.12	178.12	144.64	118.27
<b>Total</b>	<b>258.85</b>	<b>313.36</b>	<b>308.04</b>	<b>274.41</b>	<b>247.62</b>

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Total Quoted Shares	127.19	183.67	178.66	145.18	118.81
Total Unquoted Shares	131.66	129.69	129.38	129.22	128.81
Total Investments in Subsidiaries	258.85	313.36	308.04	274.41	247.62

#### ANNEXURE – A.I.12: RESTATED STANDALONE STATEMENT OF LONG TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Loan &amp; Advances to Related Parties:</b>					
AIC- Aartech Solonics Pvt.Ltd	124.33	-	-	-	-
Faradigm Ultracapitors Pvt. Ltd.	152.90	-	-	-	-
<b>Security Deposits</b>	42.49	33.10	23.18	23.56	21.98
<b>Total</b>	<b>319.72</b>	<b>33.10</b>	<b>23.18</b>	<b>23.56</b>	<b>21.98</b>

#### ANNEXURE – A.I.13: RESTATED STANDALONE STATEMENT OF OTHER NON CURRENT ASSET

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Fixed Deposit ( Original Maturity More than 12 Months)	-	-	-	-	-
Preliminary Expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### ANNEXURE – A.I.14: RESTATED STANDALONE STATEMENT OF CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Investments in Liquid Funds	183.82	266.80	-	-	-
<b>Total</b>	<b>183.82</b>	<b>266.80</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### ANNEXURE – A.I.15: RESTATED STANDALONE STATEMENT OF INVENTORIES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Finished Goods (at cost or net realizable value, whichever is lower)	-	-	3.36	0.22	1.25
Raw Material (At cost)	156.19	149.28	156.64	184.51	154.22
Work - in Progress	232.72	231.11	66.56	17.21	84.31
<b>Total</b>	<b>388.91</b>	<b>380.39</b>	<b>226.57</b>	<b>201.93</b>	<b>239.77</b>

#### ANNEXURE – A. I.16: RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Trade Receivables:</b>					

Outstanding for a period exceeding six months from the date they are due for payment	275.47	105.84	92.09	63.51	86.72
Unsecured, Considered Good Outstanding for a period less than six months from the date they are due for payment	69.98	210.78	422.14	536.81	235.67
<b>Total</b>	<b>345.45</b>	<b>316.61</b>	<b>514.24</b>	<b>600.32</b>	<b>322.39</b>

#### ANNEXURE – A. I.17: RESTATED STANDALONE STATEMENT OF CASH AND BANK BALANCES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Cash &amp; Cash Equivalents:</b>					
Cash in hand	0.75	0.78	0.70	0.44	0.41
Imprest given to Employees	1.03	0.05	0.59	0.53	3.13
<b>Balances with Banks:</b>					
Earmarked Balances	2.25	2.25	2.25	2.25	2.25
Guarantees	11.83	28.68	69.63	65.12	31.49
In Deposits Accounts with maturity more than 12 months	-	-	3.18	25.86	175.73
Other Commitments(Current Account)	183.73	222.47	230.56	223.13	204.22
<b>Total</b>	<b>199.59</b>	<b>254.25</b>	<b>306.92</b>	<b>317.34</b>	<b>417.32</b>

#### ANNEXURE – A.I.18: RESTATED STANDALONE STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Unsecured &amp; Considered good:</b>					
Advance to Creditors	7.07	79.98	-	5.50	1.85
Loan & Advances to Employees	2.50	2.87	0.65	0.88	0.21
Prepaid Expenses	9.32	13.38	8.87	6.08	6.56
<b>Total</b>	<b>18.89</b>	<b>96.23</b>	<b>9.52</b>	<b>12.46</b>	<b>8.63</b>

#### ANNEXURE – A.I.19: RESTATED STANDALONE STATEMENT OF OTHER CURRENT ASSETS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Income Tax	-	-	191.78	189.72	189.72
Advance Income Tax	-	-	-	2.06	2.06
Refund from Income Tax	4.21	9.01	4.21	-	-
Service Tax Receivable	-	6.15	7.83	5.72	8.12
TDS Receivable	-	-	2.74	2.74	2.74
Excise Duty Receivable	-	3.84	4.88	0.71	2.13
GST Receivable	5.22	-	-	-	-
VAT/CST Receivable	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Other Receivables	6.81	18.72	10.58	11.65	21.74
<b>Total</b>	<b>16.24</b>	<b>37.72</b>	<b>222.01</b>	<b>212.59</b>	<b>226.51</b>

**ANNEXURE – A.II.1: RESTATED STANDALONE STATEMENT OF REVENUE FROM OPERATIONS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Sales of Product	1048.19	1201.90	931.84	877.25	864.55
Sales of Services	82.09	70.95	41.54	46.01	21.49
Revenue from operations	1130.28	1272.85	973.38	923.26	886.04

**ANNEXURE – A. II.2: RESTATED STANDALONE STATEMENT OF OTHER INCOME**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Interest Received	17.05	10.18	19.73	23.28	21.94
Dividend Income	8.81	8.26	4.49	4.35	2.61
Net gain on Foreign Currency Transaction	-	-	-	(0.19)	4.33
Net gain/(loss) on sale of Investment	20.21	5.17	4.20	20.47	2.57
Other Non- operating Income	32.15	41.12	24.05	23.18	36.30
Revenue Govt. Grant	-	4.48	-	-	-
<b>Total</b>	<b>78.23</b>	<b>69.20</b>	<b>52.47</b>	<b>71.09</b>	<b>67.75</b>

**ANNEXURE – A.II.3: RESTATED STANDALONE STATEMENT OF COST OF MATERIAL CONSUMED**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Purchase of Raw Material					
- Imported	300.40	170.69	170.98	19.13	75.59
- Indigenous	306.25	797.01	385.89	344.71	428.60
<b>Sub Total (A)</b>	<b>606.65</b>	<b>967.70</b>	<b>556.87</b>	<b>363.84</b>	<b>504.19</b>
Add: Opening Balance of Raw Material					
- Imported	94.33	76.25	60.14	77.12	107.89
- Indigenous	54.95	80.39	124.37	77.10	66.98
<b>Sub Total (B)</b>	<b>149.28</b>	<b>156.64</b>	<b>184.51</b>	<b>154.22</b>	<b>174.86</b>
Less: Closing Balance of Raw Material					
- Imported	124.44	94.33	76.25	60.14	77.12
- Indigenous	31.75	54.95	80.39	124.37	77.10
<b>Sub Total (C)</b>	<b>156.19</b>	<b>149.28</b>	<b>156.64</b>	<b>184.51</b>	<b>154.22</b>
<b>GRAND TOTAL</b>	<b>599.74</b>	<b>975.05</b>	<b>584.74</b>	<b>333.54</b>	<b>524.83</b>

**ANNEXURE – A.II.4: RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Opening Stock</b>					
Finished Goods	-	3.36	0.22	1.25	-
Work in Progress	231.11	66.56	17.21	84.31	76.47
<b>(A)</b>	<b>231.11</b>	<b>69.93</b>	<b>17.42</b>	<b>85.56</b>	<b>76.47</b>
<b>Closing Stock</b>					

Finished Goods	-	-	3.36	0.22	1.25
Work in Progress	232.72	231.11	66.56	17.21	84.31
<b>(B)</b>	<b>232.72</b>	<b>231.11</b>	<b>69.93</b>	<b>17.42</b>	<b>85.56</b>
<b>Total (A)+(B)</b>	<b>(1.61)</b>	<b>(161.18)</b>	<b>(52.51)</b>	<b>68.13</b>	<b>(9.08)</b>

#### ANNEXURE – A.II.5 : RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFIT EXPENSE

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Salaries, wages and Other Benefits	211.27	227.38	224.24	221.74	237.41
Contribution to Provident fund & Administration Charges	10.86	10.56	8.79	9.84	10.98
Staff welfare expenses	10.97	18.26	30.09	32.38	24.29
<b>Total</b>	<b>233.10</b>	<b>256.21</b>	<b>263.11</b>	<b>263.96</b>	<b>272.68</b>

#### ANNEXURE – A.II.6 : RESTATED STANDALONE STATEMENT OF FINANCE COST

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Bank charges and Guarantee commission(including loss on derivative transaction)	7.39	6.86	14.83	8.90	15.22
Interest on Borrowings	0.13	0.78	2.89	0.29	4.66
Others	-	-	-	-	-
<b>Total</b>	<b>7.52</b>	<b>7.64</b>	<b>17.72</b>	<b>9.20</b>	<b>19.88</b>

#### ANNEXURE – A.II.7 : RESTATED STANDALONE STATEMENT OF DEPRECIATION & AMORTIZATION EXPENSES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Depreciation of Tangible assets	31.25	31.70	33.96	28.95	27.05
Amortization of Tangible assets	-	-	-	-	-
<b>Total</b>	<b>31.25</b>	<b>31.70</b>	<b>33.96</b>	<b>28.95</b>	<b>27.05</b>

#### ANNEXURE – A.II.8: RESTATED STANDALONE STATEMENT OF OTHER EXPENSES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Manufacturing Expenses</b>					
Power and Fuel	5.67	6.58	5.87	5.09	8.12
Rent Factory	2.31	0.95	0.90	2.22	2.34
Repairs and Maintenance to Machinery	2.03	-	0.29	1.00	1.38
Miscellaneous Expenses	12.23	12.10	17.24	14.12	34.11
<b>Sub-Total (A)</b>	<b>22.24</b>	<b>19.62</b>	<b>24.30</b>	<b>22.43</b>	<b>45.96</b>
<b>Administrative Expenses</b>					
Audit Fees	0.90	0.90	0.90	0.90	0.90
Legal and Consultancy Exp.	7.29	2.82	2.35	9.11	8.73
Insurance	1.42	1.71	1.10	1.44	5.62
Internet expenses	0.41	1.09	1.53	1.64	2.05

Petrol & Diesel	1.47	3.23	2.70	2.70	-
Rates & Taxes (excluding taxes on income)	8.71	13.51	5.57	4.81	5.39
Rent office	10.76	10.00	10.59	12.49	7.98
Telephone exp.	4.86	4.22	3.59	3.47	4.22
Repair to buildings	0.30	0.28	0.30	1.00	1.01
Staff training expenses	-	-	0.62	-	0.21
Miscellaneous Administrative Expenses	37.98	35.91	21.18	17.57	15.01
<b>Sub-Total (B)</b>	<b>74.11</b>	<b>73.69</b>	<b>50.43</b>	<b>55.13</b>	<b>51.13</b>
<b>Selling and Marketing Expenses</b>					
Advertisement and Business promotion Expenses	5.45	12.83	3.79	5.93	28.21
Sales Commission	30.22	46.50	29.16	26.51	25.51
Travelling Expenses	27.62	29.27	37.16	24.49	23.03
Late Delivery	24.13	-	-	-	-
Transportation Outward	8.93	15.00	2.15	8.25	9.05
<b>Sub-Total (C)</b>	<b>96.35</b>	<b>103.60</b>	<b>72.26</b>	<b>65.17</b>	<b>85.80</b>
<b>Research and Development expenses</b>					
Material	1.68	0.90	3.15	4.37	2.84
Staff salary	-	-	-	0.61	-
Travelling expenses	0.17	1.01	0.26	-	0.61
DST Project Uplift Expenses	6.19	-	-	-	-
Other Expenses	0.35	0.50	1.40	0.74	0.22
<b>Sub-Total (D)</b>	<b>8.39</b>	<b>2.41</b>	<b>4.81</b>	<b>5.72</b>	<b>3.67</b>
<b>Loss due to Currency Fluctuation (E)</b>	<b>0.39</b>	<b>1.06</b>	<b>0.92</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D+E)</b>	<b>201.47</b>	<b>200.38</b>	<b>152.73</b>	<b>148.45</b>	<b>186.55</b>

#### ANNEXURE – A.II.9: RESTATED STANDALONE STATEMENT OF CURRENT TAX

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Provision of Income Tax	22.71	4.57	4.97	28.43	-
Less: Mat Credit Entitlement	0.45	-	-	-	-
<b>Total</b>	<b>22.26</b>	<b>4.57</b>	<b>4.97</b>	<b>28.43</b>	<b>-</b>

#### ANNEXURE VI: NOTES TO THE RESTATED STANDALONE FINANCIAL STATEMENTS

The Company has not provided for the Gratuity and other defined benefit costs in the financial statements as per requirement of mandatory Accounting Standard - 15 on Employee Benefits as notified by the Companies ( Accounting Standards ) Rules, 2006.

The figures of the previous year have been regrouped / recast wherever necessary so as to make them comparable with current year's figures. Figures have been rounded off to the nearest lacs.

In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated if realized in ordinary course of business. Provisions for known liabilities are made & not in excess of the amount reasonably necessary. Moreover Balances of Unsecured Loans, Receivables, Loans & Advances and Current Liabilities are subject to confirmation, reconciliation and adjustments, if any.

**ANNEXURE – A.VII: RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Bank Guarantee	-	-	-	-	-
Capital Commitment	-	-	-	-	-
Bill Discounted	-	-	-	-	-
Letter of Credits accepted (Inland & Import)	-	-	-	-	-
Show Cause /demand notice by excise department, Income tax authorities being disputed by the Company	0.70	-	-	-	-
<b>Total</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE- A.VIII: RESTATED STANDALONE STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties and Nature of Relationship:

(Amount in Lacs)

Particulars	Name of the Related Parties	Relationship				
		For The Year Ended March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>Enterprises where control exist:</b>						
Companies	Faradigm Ultracapitors Pvt Ltd.	Subsidiary Company				
	AIC- Aartech Solonics Pvt Ltd.	Subsidiary Company				
<b>Other Related Parties:</b>						
Key Management Personnel's	Amit Anil Raje	Director	Managing Director	Managing Director	Managing Director	Managing Director
	Anil Anant Raje	Managing Director	Chairman	Chairman	Chairman	Chairman
	Arati Nath	Chief Financial Officer	-	-	-	-
	Steffy Binoy*	Company Secretary	-	-	-	-

\*Note: Mr. KR Tanuj Reddy will sign the report of Peer Audit as Miss Steffi Binoy has resigned in May 2018.

Transactions carried out with related parties referred to in (1) above, in ordinary course of business:

(Amount in Lakhs)

Particulars	Name of the Related Parties	Relationship				
		For The Year Ended March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
AIC- Solonics Aartech Private	Unsecured Loan	124.33	-	-	-	-
	Interest received on Unsecured Loan	6.08	-	-	-	-
	Rent Received	30.00	-	-	-	-
	Rent received for providing Administration Services	1.50	-	-	-	-

Limited	Income received for utility & Maintenance Services	2.00	-	-	-	-
	Advance Given	0.39	-	-	-	-
	Consumables Sold	0.01	-	-	-	-
	<b>Sub – Total</b>	<b>164.32</b>	-	-	-	-
Paradigm Ultracapcitors Private Limited	Unsecured Loan	152.90	-	-	-	-
	Trade Sales	101.78	-	-	-	-
	Rent Received	6.00	-	-	-	-
	Income received for utility & Maintenance Services	0.70	-	-	-	-
	Tools & Consumables Sold	0.01	-	-	-	-
	<b>Sub – Total</b>	<b>261.38</b>	-	-	-	-
Mr. Amit Anil Rajee	Managerial Remuneration	18.58	18.58	17.24	11.45	15.30
	<b>Sub – Total</b>	<b>18.58</b>	<b>18.58</b>	<b>17.24</b>	<b>11.45</b>	<b>15.30</b>
Mr. Anil Anant Rajee	Managerial Remuneration	15.80	15.80	13.36	8.91	16.80
	<b>Sub – Total</b>	<b>15.80</b>	<b>15.80</b>	<b>13.36</b>	<b>8.91</b>	<b>16.80</b>
<b>Total</b>		<b>460.09</b>	<b>34.38</b>	<b>30.61</b>	<b>20.36</b>	<b>32.10</b>

#### ANNEXURE- A.IX : RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

(Amount in Lacs except EPS)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Restated PAT as per P & L Account	117.58	30.09	22.81	112.62	(70.41)
Weighted Average Number of Equity Shares at the end of the Year	49.40	49.40	49.40	49.40	49.40
<b>Net Worth</b>	<b>1,791.23</b>	<b>1,676.67</b>	<b>1,646.58</b>	<b>1,652.97</b>	<b>1,596.09</b>
Earnings Per Share (without Bonus affect)					
Basic	2.38	0.61	0.46	2.28	(1.43)
Diluted	2.38	0.61	0.46	2.28	(1.43)
Earnings Per Share (with Bonus affect)					
Basic	-	-	-	-	-
Diluted	-	-	-	-	-
Return on Net Worth (%)	6.56	1.79	1.39	6.81	(4.41)
Net Asset Value Per Share (Rs)	36.26	33.94	33.33	33.46	32.31
Nominal Value per Equity share after Share Split (Rs.)	10	10	10	10	10

**Note:**

The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

The ratios have been calculated as below:

- Basic Earnings Per Share (Rs.)** = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.
- Diluted Earnings Per Share (Rs.)** = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.
- Return on Net Worth (%)** = Restated PAT attributable to Equity Shareholders/ Networth X 100.
- Restated Net Asset Value per equity share (Rs.)** = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year
- 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.
- Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

7. **Net Worth** = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss).

The figures disclosed above are based on the Restated Standalone Financial Statements of the Company.

#### ANNEXURE - A.X: RESTATED STANDALONE STATEMENT OF CAPITALISATION

(Amount in Lacs)			
S. No.	Particulars	Pre issue	Post issue
	<b>Debts:</b>		
A.	Long Term Debt *	-	-
B.	Short Term Debt*	-	-
C.	<b>Total Debt</b>	-	-
	<b>Equity Shareholders Funds:</b>		
	Equity Share Capital**	494.01	706.01
	Reserves and Surplus	1297.22	1784.82
D.	<b>Total Equity</b>	<b>1791.23</b>	<b>2490.83</b>
E.	<b>Total Capitalization</b>		
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	-	-

Notes:

Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities

\* The amounts are considered as outstanding as on 31.03.2018.

\*\*Equity capital is considered as represented on Signed Report.

#### ANNEXURE - A.XI: RESTATED STANDALONE STATEMENT OF TAX SHELTERS

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Restated Profit Before Tax</b>	<b>137.04</b>	<b>32.25</b>	<b>26.09</b>	<b>142.11</b>	<b>(68.12)</b>
Short Term Capital Gain at special rate	1.15	0.66	1.80	9.70	-
Normal Corporate Tax Rates (%)	25.75	34.61	30.90	32.45	32.45
Short Term Capital Gain at special rate	15.00	15.00	15.00	15.00	15.00
MAT Tax Rates (%)	20.39	19.06	19.06	20.01	20.01
<b>Tax thereon (including surcharge and education cess)</b>					
Tax on normal profits	35.29	11.16	8.06	46.11	(22.10)
Short Term Capital Gain at special rate	0.17	0.10	0.27	1.45	-
<b>Total</b>	<b>35.46</b>	<b>11.26</b>	<b>8.33</b>	<b>47.56</b>	<b>(22.10)</b>
Adjustments:					
<b>Permanent Differences</b>					
Deduction allowed under Income Tax Act	23.59	30.26	38.61	104.22	-
Exempt Income	8.81	12.77	6.89	15.26	7.05
Allowance of Expenses under the Income Tax Act	4.00	2.07	2.43	3.22	2.45
Disallowance of Income under the Income Tax Act	20.21	0.66	26.19	32.98	0.40
Disallowance of Expense under the Income Tax Act	(17.32)	(19.13)	(26.05)	(19.88)	(10.21)
<b>Total Permanent Differences</b>	<b>39.29</b>	<b>26.63</b>	<b>48.08</b>	<b>135.78</b>	<b>(0.31)</b>

Timing Differences					
Difference between tax depreciation and book depreciation	(11.46)	(5.05)	(5.57)	2.49	7.94
Provision for bad debts	-	-	-	-	-
Total Timing Differences	(11.46)	(5.05)	(5.57)	2.49	7.94
<b>Net Adjustments E= (C+D)</b>	<b>48.86</b>	<b>32.25</b>	<b>22.79</b>	<b>173.13</b>	<b>7.63</b>
Tax (expense)/saving thereon	12.58	11.16	7.04	56.17	2.48
Total Income/(loss) (A+E)	88.18	-	3.30	(31.02)	(75.75)
Taxable Income/ (Loss) as per MAT	109.16	23.99	26.09	142.11	(68.12)
Income Tax as per normal provision	22.71	-	1.02	(10.06)	(24.58)
Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act	22.26	4.57	4.97	28.44	(13.63)
Net Tax Expenses (Higher of I,J)	22.71	4.57	4.97	28.44	(13.63)
Relief u/s 90/91	-	-	-	-	-
Mat Credit Used	0.45	-	-	-	-
Total Current Tax Expenses	22.26	4.57	4.97	28.44	(13.63)
Adjustment for Interest on income tax/others	-	-	-	-	-
Total Current Tax Expenses (Tax Paid this year)	22.26	4.57	4.97	28.44	(13.63)

#### ANNEXURE - A.XII: RESTATED STANDALONE STATEMENT OF FINANCIAL INDEBTEDNESS

##### Unsecured Loan

(Amount in Lacs)

S. No.	Bank Name	Terms of Repayment	Outstanding	Security
			as on Mar 31, 2018	
N.A.				

##### Short term Loan

(Amount in Lacs)

S. No.	Bank Name	Terms of Repayment	Outstanding	Security
			as on Mar 31, 2018	
N.A.				

##### Long Term Loan

(Amount in Lacs)

S. No.	Bank Name	Terms of Repayment	Outstanding	Security
			as on Mar 31, 2018	
N.A.				

#### ANNEXURE - A.XIII: RESTATED STANDALONE STATEMENT OF DIVIDEND

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Share Capital</b>					
Equity Share Capital	494.01	494.01	494.01	494.01	494.01
Dividend on equity shares declared during the year	-	-	24.01	24.01	24.01
Dividend in %	-	-	4.86	4.86	4.86

**ANNEXURE - A.XIV: ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
	(Net Assets - Total Assets - Total Liabilities)									
	As % of Consolidated		As % of Consolidated		As % of Consolidated		As % of Consolidated		As % of Consolidated	
	Net Assets (%)	Amt.	Net Assets (%)	Amt.	Net Assets (%)	Amt.	Net Assets (%)	Amt.	Net Assets (%)	Amt.
AIC- Aartech Solonics Private Limited	-	-	-	-	-	-	-	-	-	-
Faradigm Ultracapitors Private Limited	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

(Amount in Lakhs)

Particulars	Share in Profit or Loss									
	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.
Aartech Solonics Limited	-	-	-	-	-	-	-	-	-	-
AIC- Aartech Solonics Private Limited	-	-	-	-	-	-	-	-	-	-
Faradigm Ultracapitors Private Limited	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

**RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

**Independent Auditors' Report**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

To,  
The Board of Directors,  
Aartech Solonics Limited  
E-2/57, Ashirvad Arera Colony,  
Bhopal MP- 462016

Dear Sir,

We have examined the attached Restated Consolidated Financial Information of Aartech Solonics Limited (Formerly Known as Aartech Solonics Ltd. and hereinafter referred to as “the Company”) prepared by the management of the company in terms of requirement of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rule 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed upon with you, in connection with the proposed Initial Public Offer (IPO) of the Company.

These Restated Consolidated Financial Information have been extracted by the Management of the Company from:

The Company’s Consolidated Audited Financial Statements for years ended, March 31<sup>st</sup>, 2018, 2017, 2016, 2015, and 2014 and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Consolidated Financial Information, are the responsibility of the Company’s Management. The Consolidated Financial Statement of the Company for the financial year ended March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014 have been audited by M/s. Spark Associates as sole statutory auditors and had issued unqualified reports for these years.

In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

The Restated Consolidated Statement of Assets and Liabilities as at March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014 examined by us, as set out in Annexure – I (along with Annexure I.1 to I.18) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements’ appearing in Annexure- IV and ‘ Notes to the Restated Consolidated Financial Statements’ appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Consolidated Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial interim years.

The Restated Consolidated Statement of Profit and Loss of the Company for financial years ended on March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014 examined by us, as set out in Annexure – II (along with Annexure II.1 to II.8) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements’ appearing in Annexure- IV and ‘ Notes to the Restated Consolidated Financial Statements’ appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Consolidated Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

The Restated Consolidated Statement of Cash flows of the Company for the Financial years ended March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014, examined by us, as set out in Annexure – III (to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements’ appearing in Annexure- IV and ‘ Notes to the Restated

Consolidated Financial Statements' appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Consolidated Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

Based on the above, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Consolidated Financial Information:

We have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at March 31<sup>st</sup>, 2018.

Have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and;

Do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.

We have also examined the following other Restated Consolidated Financial Information as set out in the Annexure to this report and forming part of the Restated Consolidated Financial Information, prepared by the management of the Company and approved by the Board of Directors, relating to the company for the Financial years ended March 31<sup>st</sup> of 2018, 2017, 2016, 2015, and 2014:

<b>Particulars</b>	<b>Annexure No.</b>
Restated Consolidated Statement of Share Capital	<b>B.I.1</b>
Restated Consolidated Statement of Reserve & Surplus	<b>B.I.2</b>
Restated Consolidated Statement of Long Term Borrowings	<b>B.I.3</b>
Restated Consolidated Statement of Deferred Tax liability/Assets (net)	<b>B.I.4</b>
Restated Consolidated Statement of Other Non Current Liabilities	<b>B.I.5</b>
Restated Consolidated Statement of Short Term Borrowings	<b>B.I.6</b>
Restated Consolidated Statement of Trade Payable	<b>B.I.7</b>
Restated Consolidated Statement of Other Current Liabilities	<b>B.I.8</b>
Restated Consolidated Statement of Short Term provision	<b>B.I.9</b>
Restated Consolidated Statement of Fixed Assets	<b>B.I.10</b>
Restated Consolidated Statement of Non – Current Investments	<b>B.I.11</b>
Restated Consolidated Statement of Long Term Loans & Advances (net)	<b>B.I.12</b>
Restated Consolidated Statement of Other Non Current Assets (net)	<b>B.I.13</b>
Restated Consolidated Statement of Current Investments	<b>B.I.14</b>
Restated Consolidated Statement of Inventories	<b>B.I.15</b>
Restated Consolidated Statement of Trade Receivables	<b>B.I.16</b>
Restated Consolidated Statement of Cash and Bank Balances	<b>B.I.17</b>
Restated Consolidated Statement of Short Term Loans and Advances	<b>B.I.18</b>
Restated Standalone Statement of Other Current Assets	<b>B.I.19</b>
Restated Consolidated Statement of Revenue from operations	<b>B.II.1</b>
Restated Consolidated Statement of Other Income	<b>B.II.2</b>
Restated Consolidated Statement of Cost of Direct Expenses	<b>B.II.3</b>
Restated Consolidated Statement of Changes in Inventories	<b>B.II.4</b>
Restated Consolidated Statement of Employees Benefit Expenses	<b>B.II.5</b>
Restated Consolidated Statement of Finance Cost	<b>B.II.6</b>
Restated Consolidated Statement of Depreciation and Amortisation	<b>B.II.7</b>

Restated Consolidated Statement of Other Expenses	<b>B.II.8</b>
Restated Consolidated Statement of Current tax	<b>B.II.9</b>
Restated Consolidated Statement of Contingent Liabilities	<b>B.VII</b>
Restated Consolidated Statement of Related Party Transaction	<b>B.VIII</b>
Restated Consolidated Statement of Accounting Ratios	<b>B.IX</b>
Restated Consolidated Statement of Capitalisation	<b>B.X</b>
Restated Consolidated Statement of Tax Shelters	<b>B.XI</b>
Restated Consolidated Statement of Financial Indebtness	<b>B.XII</b>
Restated Consolidated Statement of Dividend	<b>B.XIII</b>
Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries	<b>B.XIV</b>

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, nor should this report be construed as an opinion on any of the Consolidated Financial Information referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above Restated Consolidated Financial Information contained in Annexure I to XIV to this report read along with the Basis of Preparation and Significant Accounting policies (Refer Annexure – IV) and Notes to Restated Consolidated Financial Information (Refer Annexure – VI) after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

Our report is intended solely for use of the Management and for inclusion in the offer documents or in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For Baheti & Company,  
Chartered Accountants  
Firm Regn. No.- 006287C

(Deepak Baheti)  
Partner  
M.N.-075063

Place: Bhopal  
Dated: 10.08.2018

Restated Consolidated Balance Sheet

Particulars	Note No.	As at March, 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>I. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' Funds</b>						
Share capital	<b>I.1</b>	494.01	N.A	N.A	N.A	N.A
Reserves and surplus	<b>I.2</b>	1,255.98	N.A	N.A	N.A	N.A
<b>2 Non-current Liabilities</b>			N.A	N.A	N.A	N.A
Long-term borrowings	<b>I.3</b>	-0.60	N.A	N.A	N.A	N.A
Deferred tax liabilities (Net)	<b>I.4</b>	5.09	N.A	N.A	N.A	N.A
Other Non-Current Liabilities	<b>I.5</b>	26.28	N.A	N.A	N.A	N.A
<b>3 Current Liabilities</b>			N.A	N.A	N.A	N.A
Short-term borrowings	<b>I.6</b>	-	N.A	N.A	N.A	N.A
Trade payables	<b>I.7</b>	48.49	N.A	N.A	N.A	N.A
Other current liabilities	<b>I.8</b>	59.74	N.A	N.A	N.A	N.A
Short-term provisions	<b>I.9</b>	89.01	N.A	N.A	N.A	N.A
<b>TOTAL</b>		<b>1978.00</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>II. ASSETS</b>						
<b>1 Non-current assets</b>						
Fixed assets	<b>I.10</b>					
Tangible assets		338.41	N.A	N.A	N.A	N.A
Intangible Assets		-	N.A	N.A	N.A	N.A
Capital Work in Progress		-	N.A	N.A	N.A	N.A
Non Current Investments	<b>I.11</b>	256.91	N.A	N.A	N.A	N.A
Long-term loans and advances	<b>I.12</b>	42.49	N.A	N.A	N.A	N.A
Other Non Current Assets	<b>I.13</b>	-	N.A	N.A	N.A	N.A
Deferred Tax Assets	-	-	N.A	N.A	N.A	N.A
<b>2 Current assets</b>						
Current Investments	<b>I.14</b>	183.82	N.A	N.A	N.A	N.A
Inventories	<b>I.15</b>	388.91	N.A	N.A	N.A	N.A
Trade Receivables	<b>I.16</b>	345.06	N.A	N.A	N.A	N.A
Cash and cash equivalents	<b>I.17</b>	352.10	N.A	N.A	N.A	N.A
Short-term loans and advances	<b>I.18</b>	19.91	N.A	N.A	N.A	N.A
Other Current Assets	<b>I.19</b>	50.40	N.A	N.A	N.A	N.A
<b>TOTAL</b>		<b>1,978.00</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

Restated Consolidated Profit and Loss Account

(Rs. in Lacs)

Particulars		Note No.	For the year ended 31 <sup>st</sup> , March				
			2018	2017	2016	2015	2014
I.	Revenue from operations	II.1	988.28	N.A	N.A	N.A	N.A
II.	Other income	II.2	121.64	N.A	N.A	N.A	N.A
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>1109.91</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
IV	Expenses:						
	Cost of Material Consumed	II.3	518.46	N.A	N.A	N.A	N.A
	Changes in inventories of Stock-in-Trade	II.4	(1.61)	N.A	N.A	N.A	N.A
	Employee benefits expense	II.5	242.08	N.A	N.A	N.A	N.A
	Finance costs	II.6	7.61	N.A	N.A	N.A	N.A
	Depreciation and amortization expense	II.7	31.74	N.A	N.A	N.A	N.A
	Other expenses	II.8	215.79	N.A	N.A	N.A	N.A
	<b>Total expenses</b>		<b>1014.06</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>V.</b>	<b>Profit before tax (III-IV)</b>		<b>95.85</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
	<b>Less; Exceptional Item</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Profit after Exceptional Item</b>		<b>95.85</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
VI	Tax expense:						
	(1) Current tax	II.9	22.26	N.A	N.A	N.A	N.A
	(2) Deferred tax		(2.09)	N.A	N.A	N.A	N.A
	(3) MAT Credit		-	N.A	N.A	N.A	N.A
<b>VII</b>	<b>Profit (Loss) for the period (V-VI)</b>		<b>75.68</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
	Weighted avg. no. of Share		51.40	N.A	N.A	N.A	N.A
	Earning per equity share:						
	Basic & Diluted EPS of Face Value of Rs. 10 each (In Rupees)		1.47	N.A	N.A	N.A	N.A

Restated Consolidated Cash Flow Statement

Particulars	For the year ended 31 <sup>st</sup> , March				
	2018	2017	2016	2015	2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Cash flow from Operating Activities</b>					
Net Profit Before tax as per Statement of Profit & Loss	95.86	N.A	N.A	N.A	N.A
Adjustments for :		N.A	N.A	N.A	N.A
Depreciation & Amortisation Exp.	31.74	N.A	N.A	N.A	N.A
Dividend Income	-8.81	N.A	N.A	N.A	N.A
Interest/ Other Income Received	-14.16	N.A	N.A	N.A	N.A
(Profit)/Loss on Sale of Fixed Assets	-46.29	N.A	N.A	N.A	N.A
Finance Cost	-	N.A	N.A	N.A	N.A
Other Non Operating Income	-20.21	N.A	N.A	N.A	N.A
Revenue Government Grant	-32.17	N.A	N.A	N.A	N.A
<b>Operating profit before working capital changes</b>	<b>5.96</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Movements in working capital :					
(Increase)/ Decrease in Inventories	(8.53)	N.A	N.A	N.A	N.A
(Increase)/Decrease in Trade Receivables	(28.84)	N.A	N.A	N.A	N.A
(Increase)/Decrease in Loans & Advances	76.32	N.A	N.A	N.A	N.A
(Increase)/Decrease in Other Current Assets	(12.68)	N.A	N.A	N.A	N.A
Increase/(Decrease) in Deferred Revenue Grant	-	N.A	N.A	N.A	N.A
Increase/(Decrease) in Short-term Provisions	29.56	N.A	N.A	N.A	N.A
Increase/(Decrease) in Trade Payables	(100.39)	N.A	N.A	N.A	N.A
Increase/(Decrease) in Short-term Borrowings	-	N.A	N.A	N.A	N.A
Increase/(Decrease) in Other Current Liabilities	54.82	N.A	N.A	N.A	N.A
<b>Cash Generated From Operations</b>	<b>16.22</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Income tax paid during the year	(12.54)	N.A	N.A	N.A	N.A
<b>Net cash from operating activities (A)</b>	<b>3.68</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	-151.45	N.A	N.A	N.A	N.A
Sale of Fixed Assets	26.89	N.A	N.A	N.A	N.A
Purchase of Fixed Deposits	-	N.A	N.A	N.A	N.A

Purchase/(Sale) of Investments	-0.02	N.A	N.A	N.A	N.A
Investments in Subsidiaries	-1.95	N.A	N.A	N.A	N.A
Grant received from Government	72.57	N.A	N.A	N.A	N.A
Utilisation of grant received	-9.72	N.A	N.A	N.A	N.A
Long term Loans & Advances	-277.24	N.A	N.A	N.A	N.A
Security Deposit paid	-9.39	N.A	N.A	N.A	N.A
Maturity of current investment	-	N.A	N.A	N.A	N.A
Proceeds from marketable securities	141.46	N.A	N.A	N.A	N.A
Maturity of fixed deposit made during the year (Net of purchases)	19.81	N.A	N.A	N.A	N.A
Realisation of security deposit	-	N.A	N.A	N.A	N.A
Other non-operating income	32.17	N.A	N.A	N.A	N.A
Net gain/(- loss) on sale of investments	20.21	N.A	N.A	N.A	N.A
Dividend Income	8.81	N.A	N.A	N.A	N.A
Interest Income	14.16	N.A	N.A	N.A	N.A
<b>Net cash from investing activities (B)</b>	<b>(113.67)</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from short term borrowings	-	N.A	N.A	N.A	N.A
Proceeds from long term borrowings	277.24	N.A	N.A	N.A	N.A
Proceeds From Issue of Equity Shares	-	N.A	N.A	N.A	N.A
Security premium on issue of equity shares	-	N.A	N.A	N.A	N.A
Payment of Dividend and Dividend distribution Tax	-	N.A	N.A	N.A	N.A
Repayment of Short Term Loan	-49.58	N.A	N.A	N.A	N.A
Repayment of Long Term Loan	-	N.A	N.A	N.A	N.A
<b>Net cash from financing activities (C)</b>	<b>227.66</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents (A+B+C)</b>	<b>117.66</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Cash and cash equivalents at the beginning of the year	127.28	N.A	N.A	N.A	N.A
<b>Cash and cash equivalents at the end of the year</b>	<b>244.94</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

## ANNEXURE – IV

### Basis of Preparation and Significant Accounting Policies and Practices of the Restated Consolidated Financial Statements for the Financial years ended March 31 of 2018, 2017, 2016, 2015, and 2014.

#### Company Overview:

The Aartech Solonics Ltd. was originally incorporated as “Aartech Solonics Limited” on February, 24th, 1982 under the provisions of the Companies Act, 1956. Aartech Solonics Limited is large manufacturers of electrical equipment, general purpose and special purpose machinery and equipment. We are one of the most competitive cost producers and are well placed to serve the growing demands of electrical equipment, general purpose and special purpose machinery and equipment all over the world. The company displays an exquisite blend of expertise and innovation in the field of Electrical equipment manufacturing.

#### Basis of Preparation of Financial Statement:

The Restated Consolidated Financial Information has been prepared by applying necessary adjustments to:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied.

With the effect from 1st April 2014, Schedule III notified under the Act, has become applicable to the company for the preparation and presentation of its financial statements. Accordingly, previous year’s figures have been regrouped/reclassified wherever applicable. Appropriate reclassification/regrouping have been made in the Restated Consolidated Financial information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations. The financial statements are prepared in Indian rupees round off to the nearest Lacs.

#### Use of Estimates:

The preparation of the financial statements is in conformity with Generally Accepted Accounting principles which require management to make estimates/ assumptions that affect the reported amount of Assets and Liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Examples of such estimates are useful lives of fixed assets, income taxes and provision for doubtful debts. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

#### Fixed Assets, Depreciation and Amortization:

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Cost comprises the purchase price and any attributable cost of bringing the asset to its present location working condition of its intended use.

Depreciation/ Amortization on addition/ deletion to fixed assets are calculated pro-rata from/ up to the date of such addition/ deletions. Depreciation is provided on Written down Value on the cost of tangible assets less estimated residual value in accordance with the rates prescribed under Schedule II to the Companies Act, 2013.

#### Impairment of assets:

On an annual basis the company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is higher of an asset’s net selling price and value in use. Value is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

#### Borrowing Cost:

Borrowing Cost directly attributable to acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are

substantially ready for their intended use. All other borrowing costs are recognized in Statement of Profit and loss in the period in which they are incurred.

#### **Investment:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

#### **Revenue Recognition:**

Sales are recorded at Invoice Value, net of VAT/Sales Tax but including Excise duty. Revenue from sales is recognized at the point of dispatch when risk and reward of ownership stand transferred to the customers.

Revenue is recognized to the extent that it is probable that economic benefit will flow to the co. and revenue can be reliably measured. Revenue from operations (Gross) is net of adjustment on account of cancellation>Returns, Excise duty deducted from revenue gross.

Income of interest on refund of income tax is accounted for in the year, the order is passed by the concerned authority and Dividend income is accounted for when the right to receive it is established.

Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted on receipt basis.

Excise duty is accounted on the basis of both, Payment made in respect of goods cleared as also provision made for goods lying in factory.

Interest subsidy shall be accounted for on the basis of receipt/approval received from competent authority.

#### **Foreign currency Transaction:**

##### **Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### **Exchange Difference**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year/period, or reported in previous financial statements, are recognised as income or as expenses in the year/period in which they arise except those arising from investments in non-integral operations.

##### **Employee Benefits**

##### **Provident Fund**

The contribution remitted to government administered Provident and Pension Fund on behalf of its employees in accordance with the relevant statute are charged to the Statement of Profit & Loss as and when due. The Company has no further obligation for the future Provident/ Pension fund benefits other than its monthly contributions.

##### **Post Employment Benefit Plans (Retirement and other employee benefits)**

Retirement benefit in the form of provident fund is a defined benefit obligation of the company and the contribution is charged to statement of profit and loss of the year when the contributions to the funds are due. The company is liable to meet the shortfall, if any, in payment of interest at the rates declared by the central government and such liability is recognized in the year of shortfall.

### **Other Employee Benefits**

The short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include leave encashment, arrears on account of salary increment, Festival and dearness allowance etc.

### **Taxation:**

#### **Current Tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements.

#### **Deferred Tax**

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts.  
Contingent Assets are neither recognized nor disclosed in the financial statements.

### **Earnings Per Share**

The earnings considered in ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic Earnings Per Share is the weighted average number of shares outstanding during the year. Diluted earnings per equity shares are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **Inventories**

Raw material, Store & Spare, Component - At cost (FIFO method) or net realizable value, whichever is lower.

Process Stock- At cost or net realizable value, whichever is lower . Cost for this purpose includes direct material cost plus appropriate share of manufacturing overheads.

Finished Stocks- A cost or net- realizable value whichever is lower. Cost for this purpose includes direct material cost plus appropriate share of overhead inclusive of excise duty.

Work in progress- Work in progress valued on the basis of direct cost i.e. raw material and variable manufacturing expenses only.

### Related Party Transactions

Disclosure is being made separately for all the transactions with related parties as specified under Accounting Standard 18, issued by the Institute Chartered Accountants of India. Micro, Small & Medium Enterprises Development Act, 2006.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises. Consequently the amount paid/ payable to these parties during the year is not ascertainable. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from the date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act. This has been relied upon by the auditors.

## ANNEXURE –V: MATERIAL ADJUSTMENT TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENT

### Material Regrouping:

Appropriate adjustments have been made in the Restated Consolidated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### Material Adjustments:

The Summary of results of restatement made in the Audited Consolidated Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Net Profits as per audited financial statements (A)</b>	<b>75.68</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Add/(Less) : Adjustments on account of -	-	-	-	-	-
Prior Period Taxes charged to P/L	-	-	-	-	-
Provision for Taxation	-	-	-	-	-
<b>Total Adjustments (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>75.68</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**Notes:** On Material Adjustments pertaining to prior years:

Prior Period Taxes Charged to Profit & Loss

NIL

**Provision for Taxation**

NIL

### ANNEXURE- B.I.1: RESTATED CONSOLIDATED STATEMENT OF SHARE CAPITAL

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Authorized Capital</b>					
Equity shares of Rs. 10/- each	500.00	NA	NA	NA	NA
Issued, Subscribed & Fully Paid Up					

Equity Shares of Rs. 10 each	494.01	NA	NA	NA	NA
<b>Total</b>	<b>494.01</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**Notes:**

Out of the above issued, subscribed and paid up share capital 44,03,094 equity shares (previous year 44,03,094 equity shares) have been issued as fully paid up bonus shares by capitalization of reserves.

Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing AGM. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of the preferential amounts in proportion to the number of equity shares held by the shareholders.

**Reconciliation of No. of Shares Outstanding at the end of the year**

(No. in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Shares outstanding at the beginning of the year</b>	<b>49.40</b>	NA	NA	NA	NA
<b>Add: Shares held by minority</b>					
AIC- Aartech Solonics Pvt Ltd.	0.01	NA	NA	NA	NA
Faradigm Ultracapacitors Pvt Ltd.	0.05	NA	NA	NA	NA
Bonus Shares issued during the year	-	NA	NA	NA	NA
Shares bought back during the year	-	NA	NA	NA	NA
<b>Share outstanding at the end of the year</b>	<b>49.46</b>	NA	NA	NA	NA

**Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	For The Year Ended March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
	No.	%	No.	%	No.	%	No.	%	No.	%
Mr. Anil Anant Raje	15.59	31.55	NA	NA	NA	NA	NA	NA	NA	NA
Mrs. Prajakta Kulkarni	10.92	22.10	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Amit Anil Raje	10.21	20.67	NA	NA	NA	NA	NA	NA	NA	NA
Mrs. Chhaya Anil Raje	9.33	18.89	NA	NA	NA	NA	NA	NA	NA	NA

**ANNEXURE – B.I.2: RESTATED CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Capital Reserve</b>					
Balance as at the beginning of the year	35.52	NA	NA	NA	NA
Add: Addition during the year	-	NA	NA	NA	NA
Balance as at the end of the year	35.52	NA	NA	NA	NA
<b>Security Premium Reserve</b>					
Balance as at the beginning of the year	0.40	NA	NA	NA	NA
Add: Addition during the year	-	NA	NA	NA	NA
Balance as at the end of the year	0.40	NA	NA	NA	NA

<b>General Reserve</b>					
Balance as at the beginning of the year	969.15	NA	NA	NA	NA
Add: Addition during the year	-	NA	NA	NA	NA
Balance as at the end of the year	969.15	NA	NA	NA	NA
<b>Balance in Statement of Profit &amp; Loss</b>					
Balance as at the beginning of the year	177.58	NA	NA	NA	NA
Add: Profit/(Loss) for the year	75.69	NA	NA	NA	NA
(Less): Proposed Dividend	-	NA	NA	NA	NA
(Less): Provision for Dividend Distribution Tax	-	NA	NA	NA	NA
(Less): Transfer to Capital Grant ( DST Uplift Project)	3.03	NA	NA	NA	NA
(Less): Income tax	-	NA	NA	NA	NA
(Less): Share of Minority Interest	0.66	NA	NA	NA	NA
(Less): Net Transitional Value of Fixed Asset	-	NA	NA	NA	NA
Balance as at the end of the year	250.90	NA	NA	NA	NA
<b>Grand Total</b>	<b>1,255.98</b>	NA	NA	NA	NA

#### ANNEXURE – B.I.3 : RESTATED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Secured:</b>					
<b>Term Loan:</b>					
From Banks	-	NA	NA	NA	NA
From NBFC	-	NA	NA	NA	NA
Vehicle Loans	-	NA	NA	NA	NA
Minority Interest	-0.60	NA	NA	NA	NA
<b>Total</b>	<b>-0.60</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Less : Amount disclosed under the head "Other current liabilities" (Refer Note I.7)</b>	<b>-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total</b>	<b>-0.60</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.I.4: RESTATED CONSOLIDATED STATEMENT OF DEFERRED TAX LIABILITY

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Balance as at the beginning of the year	7.18	NA	NA	NA	NA
Add: Deferred Tax Liability/(Asset) arising on account of difference in depreciation as per Companies Act and as per Income Tax Act	(2.10)	NA	NA	NA	NA
Add: Deferred Tax Liability/(Asset) arising on account of Section 43B of Income Tax Act	0.13	NA	NA	NA	NA
Add: Deferred Tax Liability/(	-0.14	NA	NA	NA	NA

Asset) arising on account of Section 35D of Income Tax Act					
<b>Balance as at the end of the year</b>	<b>5.08</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**Deferred Tax is recalculated**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Due to Fixed Assets</b>					
Depreciation as per Companies Act	31.74	NA	NA	NA	NA
Depreciation as per Income Tax Act	22.74	NA	NA	NA	NA
<b>Difference between WDV (A)</b>	<b>(8.99)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Due to unpaid Bonus</b>					
Unpaid bonus not deductible u/s 43B of Income Tax Act for the previous year paid in the current year	4.00	NA	NA	NA	NA
Unpaid bonus not deductible u/s 43B of Income Tax Act	3.43	NA	NA	NA	NA
<b>Other Effects (B)</b>	<b>0.57</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Due to Preliminary Expenses</b>					
As per Companies Act	0.50	NA	NA	NA	NA
As per Income Tax Act	0.10	NA	NA	NA	NA
<b>Other Effects (C)</b>	<b>-0.40</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total (A+B+C)</b>	<b>(8.83)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Estimated average annual tax rate	0.24	NA	NA	NA	NA
Net deferred tax liability/(asset)	(2.09)	NA	NA	NA	NA
Less opening Amount	7.18	NA	NA	NA	NA
<b>Deferred Tax Income/(Expense)</b>	<b>5.09</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.5: RESTATED CONSOLIDATED STATEMENT OF OTHER NON-CURRENT LIABILITIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Un-utilised Capital Grant	-	NA	NA	NA	NA
Deferred Revenue Government Grant	-	NA	NA	NA	NA
Capital Grant From Niti Ayog	26.28	NA	NA	NA	NA
Other long term liabilities	-	NA	NA	NA	NA
<b>Total</b>	<b>26.28</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.6: RESTATED CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Secured Loan Repayable on Demand	-	NA	NA	NA	NA
Cash Credit facility from Axis Bank	-	NA	NA	NA	NA
<b>Total</b>	<b>-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.7: RESTATED CONSOLIDATED STATEMENT OF TRADE PAYABLES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
-Micro and Small Enterprises	0.04	NA	NA	NA	NA
- Others	48.45	NA	NA	NA	NA
<b>Total</b>	<b>48.49</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.8: RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Advances from Customers	2.35	NA	NA	NA	NA
Other Expenses Payable	10.12	NA	NA	NA	NA
Unpaid Dividends	0.15	NA	NA	NA	NA
Revenue Grant Received in advance	46.29	NA	NA	NA	NA
Deposit against salary	0.84	NA	NA	NA	NA
<b>Total</b>	<b>59.74</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.9: RESTATED CONSOLIDATED STATEMENT OF SHORT TERM PROVISIONS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Provision for Employee Benefit	63.27	NA	NA	NA	NA
Provision for Income Tax	9.71	NA	NA	NA	NA
Provision for Proposed Dividend	-	NA	NA	NA	NA
Provision for DDT	-	NA	NA	NA	NA
TDS Payable	4.68	NA	NA	NA	NA
VAT/CST Payable	-	NA	NA	NA	NA
Service tax Payable	-	NA	NA	NA	NA
GST Payable	10.74	NA	NA	NA	NA
Other Miscellaneous Payable	0.22	NA	NA	NA	NA
Entry Tax Payable	-	NA	NA	NA	NA
Professional Tax Payable	0.39	NA	NA	NA	NA
<b>Total</b>	<b>89.01</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.10: RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Tangible Assets</b>					
<b>Land</b>					
Gross Block	17.91	NA	NA	NA	NA
Less: Accumulated Depreciation	-	NA	NA	NA	NA
Net Block	17.91	NA	NA	NA	NA
<b>Building</b>					
Gross Block	197.03	NA	NA	NA	NA
Less: Accumulated Depreciation	55.78	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	141.25	NA	NA	NA	NA
<b>Plant &amp; Machinery</b>					

Gross Block	161.52	NA	NA	NA	NA
Less: Accumulated Depreciation	48.60	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	112.92	NA	NA	NA	NA
<b>Electrification</b>					
Gross Block	20.30	NA	NA	NA	NA
Less: Accumulated Depreciation	13.07	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	7.22	NA	NA	NA	NA
<b>Office Equipments</b>					
Gross Block	33.51	NA	NA	NA	NA
Less: Accumulated Depreciation	32.98	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	0.52	NA	NA	NA	NA
<b>Computers</b>					
Gross Block	56.46	NA	NA	NA	NA
Less: Accumulated Depreciation	52.27	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	4.19	NA	NA	NA	NA
<b>Testing equipment</b>					
Gross Block	31.49	NA	NA	NA	NA
Less: Accumulated Depreciation	14.95	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	16.54	NA	NA	NA	NA
<b>Furniture &amp; Fixtures</b>					
Gross Block	63.67	NA	NA	NA	NA
Less: Accumulated Depreciation	39.54	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	24.14	NA	NA	NA	NA
<b>Vehicles</b>					
Gross Block	48.61	NA	NA	NA	NA
Less: Accumulated Depreciation	43.18	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	5.43	NA	NA	NA	NA
<b>Tools</b>					
Gross Block	13.65	NA	NA	NA	NA
Less: Accumulated Depreciation	5.35	NA	NA	NA	NA
Less: Net Transitional Value	-	NA	NA	NA	NA
Net Block	8.30	NA	NA	NA	NA
<b>Total Tangible Assets</b>	<b>338.41</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Capital Work in Progress</b>	<b>-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.I.11: RESTATED CONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Investments in Equity Instruments	0.55	NA	NA	NA	NA
Investment in Silver Coin	0.06	NA	NA	NA	NA

Investment in Subsidiary	0.01	NA	NA	NA	NA
Investment in Property	129.64	NA	NA	NA	NA
Investment In mutual Fund	126.64	NA	NA	NA	NA
<b>Total</b>	<b>256.91</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Total Quoted Shares	127.19	NA	NA	NA	NA
Total Unquoted Shares	131.66	NA	NA	NA	NA
Total Investments in Subsidiaries	258.85	NA	NA	NA	NA

#### ANNEXURE – B.I.12: RESTATED CONSOLIDATED STATEMENT OF LONG TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Loan &amp; Advances to Related Parties:</b>					
AIC- Aartech Solonics Pvt.Ltd	-	NA	NA	NA	NA
Faradigm Ultracapitors Pvt. Ltd.	-	NA	NA	NA	NA
<b>Security Deposits</b>	42.49	NA	NA	NA	NA
<b>Total</b>	<b>42.49</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.I.13: RESTATED CONSOLIDATED STATEMENT OF OTHER NON CURRENT ASSET

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Fixed Deposit ( Original Maturity More than 12 Months)	-	-	-	-	-
Preliminary Expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### ANNEXURE – B.I.14: RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Investments in Liquid Funds	183.82	NA	NA	NA	NA
<b>Total</b>	<b>183.82</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.I.15: RESTATED CONSOLIDATED STATEMENT OF INVENTORIES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Finished Goods (at cost or net realizable value, whichever is lower)	-	NA	NA	NA	NA
Raw Material (At cost)	156.19	NA	NA	NA	NA
Work - in Progress	232.72	NA	NA	NA	NA
<b>Total</b>	<b>388.91</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.16: RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Trade Receivables:</b>					
Outstanding for a period exceeding six months from the date they are due for payment	275.08	NA	NA	NA	NA
Unsecured, Considered Good Outstanding for a period less than six months from the date they are due for payment	69.98	NA	NA	NA	NA
<b>Total</b>	<b>345.06</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.17: RESTATED CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Cash &amp; Cash Equivalents:</b>					
Cash in hand	1.65	NA	NA	NA	NA
Imprest given to Employees	1.03	NA	NA	NA	NA
<b>Balances with Banks:</b>					
Earmarked Balances	2.25	NA	NA	NA	NA
Guarantees	141.83	NA	NA	NA	NA
In Deposits Accounts with maturity more than 12 months	-	NA	NA	NA	NA
Other Commitments(Current Account)	205.35	NA	NA	NA	NA
<b>Total</b>	<b>352.10</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.18: RESTATED CONSOLIDATED STATEMENT OF SHORT TERM LOANS AND ADVANCES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Unsecured &amp; Considered good:</b>					
Advance to Creditors	7.07	NA	NA	NA	NA
Loan & Advances to Employees	3.52	NA	NA	NA	NA
Prepaid Expenses	9.32	NA	NA	NA	NA
<b>Total</b>	<b>19.91</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**ANNEXURE – B.I.19: RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Income Tax	-	NA	NA	NA	NA
Advance Income Tax	-	NA	NA	NA	NA
Refund from Income Tax	4.85	NA	NA	NA	NA
Service Tax Receivable	-	NA	NA	NA	NA
TDS Receivable	-	NA	NA	NA	NA
Excise Duty Receivable	-	NA	NA	NA	NA
GST Receivable	35.41	NA	NA	NA	NA
VAT/CST Receivable	-	NA	NA	NA	NA
Accrued Interest	3.14	NA	NA	NA	NA

Other Receivables	7.00	NA	NA	NA	NA
<b>Total</b>	<b>50.40</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.1: RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Sales of Product	946.40	NA	NA	NA	NA
Sales of Services	41.87	NA	NA	NA	NA
<b>Revenue from operations</b>	<b>988.28</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.2: RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Interest Received	14.16	NA	NA	NA	NA
Dividend Income	8.81	NA	NA	NA	NA
Net gain on Foreign Currency Transaction	-	NA	NA	NA	NA
Net gain/(loss) on sale of Investment	20.21	NA	NA	NA	NA
Other Non- operating Income	32.17	NA	NA	NA	NA
Revenue Govt. Grant	46.29	NA	NA	NA	NA
<b>Total</b>	<b>121.64</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.3: RESTATED CONSOLIDATED STATEMENT OF COST OF MATERIAL CONSUMED

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Purchase of Raw Material					
- Imported	219.11	NA	NA	NA	NA
- Indigenous	306.25	NA	NA	NA	NA
<b>Sub Total (A)</b>	<b>525.37</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Add: Opening Balance of Raw Material					
- Imported	94.33	NA	NA	NA	NA
- Indigenous	54.95	NA	NA	NA	NA
<b>Sub Total (B)</b>	<b>149.28</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Less: Closing Balance of Raw Material					
- Imported	124.44	NA	NA	NA	NA
- Indigenous	31.75	NA	NA	NA	NA
<b>Sub Total (C)</b>	<b>156.19</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>GRAND TOTAL</b>	<b>518.46</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.4: RESTATED CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Opening Stock</b>					
Finished Goods	-	NA	NA	NA	NA

Work in Progress	231.11	NA	NA	NA	NA
<b>(A)</b>	<b>231.11</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Closing Stock</b>					
Finished Goods	-	NA	NA	NA	NA
Work in Progress	232.72	NA	NA	NA	NA
<b>(B)</b>	<b>232.72</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total (A)+(B)</b>	<b>(1.61)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.5 : RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSE

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Salaries, wages and Other Benefits	220.21	NA	NA	NA	NA
Contribution to Provident fund & Administration Charges	10.90	NA	NA	NA	NA
Staff welfare expenses	10.97	NA	NA	NA	NA
<b>Total</b>	<b>242.08</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.6 : RESTATED CONSOLIDATED STATEMENT OF FINANCE COST

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Bank charges and Guarantee commission(including loss on derivative transaction)	7.48	NA	NA	NA	NA
Interest on Borrowings	0.13	NA	NA	NA	NA
Others	-	NA	NA	NA	NA
<b>Total</b>	<b>7.61</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.7 : RESTATED CONSOLIDATED STATEMENT OF DEPRECIATION & AMORTIZATION EXPENSES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Depreciation of Tangible assets	31.74	NA	NA	NA	NA
Amortization of Tangible assets	-	NA	NA	NA	NA
<b>Total</b>	<b>31.74</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.8: RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Manufacturing Expenses</b>					
Power and Fuel	5.67	NA	NA	NA	NA
Rent Factory	2.31	NA	NA	NA	NA
Repairs and Maintenance to Machinery	2.03	NA	NA	NA	NA
Miscellaneous Expenses	12.23	NA	NA	NA	NA
<b>Sub-Total (A)</b>	<b>22.24</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Administrative Expenses</b>					
Audit Fees	1.10	NA	NA	NA	NA
Legal and Consultancy Exp.	9.23	NA	NA	NA	NA
Insurance	1.42	NA	NA	NA	NA

Internet expenses	0.41	NA	NA	NA	NA
Petrol & Diesel	1.47	NA	NA	NA	NA
Rates & Taxes (excluding taxes on income)	8.93	NA	NA	NA	NA
Rent office	11.27	NA	NA	NA	NA
Telephone exp.	4.86	NA	NA	NA	NA
Repair to buildings	0.30	NA	NA	NA	NA
Staff training expenses	6.20	NA	NA	NA	NA
Conveyance expenses	0.05	NA	NA	NA	NA
Startup Exchange Programme Expenses	0.50	NA	NA	NA	NA
Licensing Expenses	0.07	NA	NA	NA	NA
Membership & Subscription Fees	0.01	NA	NA	NA	NA
Factory Expenses	0.36	NA	NA	NA	NA
Postage & Courier	0.01	NA	NA	NA	NA
Technical Expenses	0.40	NA	NA	NA	NA
Preliminary Expenses	0.50	NA	NA	NA	NA
Administrative Services	0.72	NA	NA	NA	NA
Printing & Stationery	0.69	NA	NA	NA	NA
Miscellaneous Administrative Expenses	38.06	NA	NA	NA	NA
<b>Sub-Total (B)</b>	<b>86.58</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Selling and Marketing Expenses</b>					
Advertisement and Business promotion Expenses	5.86	NA	NA	NA	NA
Sales Commission	30.22	NA	NA	NA	NA
Travelling Expenses	29.05	NA	NA	NA	NA
Late Delivery	24.13	NA	NA	NA	NA
Transportation Outward	8.93	NA	NA	NA	NA
<b>Sub-Total (C)</b>	<b>98.19</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Research and Development expenses</b>					
Material	1.68	NA	NA	NA	NA
Staff salary	-	NA	NA	NA	NA
Travelling expenses	0.17	NA	NA	NA	NA
DST Project Uplift Expenses	6.19	NA	NA	NA	NA
Other Expenses	0.35	NA	NA	NA	NA
<b>Sub-Total (D)</b>	<b>8.39</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Loss due to Currency Fluctuation (E)</b>	<b>0.39</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total (A+B+C+D+E)</b>	<b>215.79</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### ANNEXURE – B.II.9: RESTATED CONSOLIDATED STATEMENT OF CURRENT TAX

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Provision of Income Tax	22.71	NA	NA	NA	NA
Less: Mat Credit Entitlement	0.45	NA	NA	NA	NA
<b>Total</b>	<b>22.26</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## ANNEXURE B.VI: NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS

The Company has not provided for the Gratuity and other defined benefit costs in the financial statements as per requirement of mandatory Accounting Standard - 15 on Employee Benefits as notified by the Companies ( Accounting Standards ) Rules, 2006. The figures of the previous year have been regrouped / recast wherever necessary so as to make them comparable with current year's figures. Figures have been rounded off to the nearest lacs.

In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated if realized in ordinary course of business. Provisions for known liabilities are made & not in excess of the amount reasonably necessary. Moreover Balances of Unsecured Loans, Receivables, Loans & Advances and Current Liabilities are subject to confirmation, reconciliation and adjustments, if any.

## ANNEXURE – B.VII: RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Bank Guarantee	-	NA	NA	NA	NA
Capital Commitment	-	NA	NA	NA	NA
Bill Discounted	-	NA	NA	NA	NA
Letter of Credits accepted (Inland & Import)	-	NA	NA	NA	NA
Show Cause /demand notice by excise department, Income tax authorities being disputed by the Company	0.70	NA	NA	NA	NA
<b>Total</b>	<b>0.70</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## ANNEXURE- B.VIII: RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties and Nature of Relationship:

(Amount in Lacs)

Particulars	Name of the Related Parties	Relationship				
		For The Year Ended March 31 <sup>st</sup> ,				
		2018	2017	2016	2015	2014
<b>Enterprises where control exist:</b>						
Companies	Faradigm Ultracapitors Pvt Ltd.	Subsidiary Company	NA	NA	NA	NA
	AIC- Aartech Solonics Pvt Ltd.	Subsidiary Company	NA	NA	NA	NA
<b>Other Related Parties:</b>						
Key Management Personnel's	Amit Anil Raje	Director	NA	NA	NA	NA
	Anil Anant Raje	Managing Director	NA	NA	NA	NA
	Arati Nath	Chief Financial Officer	NA	NA	NA	NA
	Steffy Binoy*	Company Secretary	NA	NA	NA	NA

\*Note: Mr. KR Tanuj Reddy will sign the report of Peer Audit as Miss Steffy Binoy has resigned in May 2018.

Transactions carried out with related parties referred to in (1) above, in ordinary course of business:

(Amount in Lacs)

Particulars	Name of the Related Parties	Relationship					
		For The Year Ended March 31 <sup>st</sup> ,					
		2018	2017	2016	2015	2014	
AIC-Solonics Limited	Aartech Private	Unsecured Loan	124.33	NA	NA	NA	NA
		Interest received on Unsecured Loan	6.08	NA	NA	NA	NA
		Rent Received	30.00	NA	NA	NA	NA
		Rent received for providing Administration Services	1.50	NA	NA	NA	NA
		Income received for utility & Maintenance Services	2.00	NA	NA	NA	NA
		Advance Given	0.39	NA	NA	NA	NA
		Consumables Sold	0.01	NA	NA	NA	NA
		<b>Sub - Total</b>		<b>164.32</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Faradigm Ultracapitors Private Limited		Unsecured Loan	152.90	NA	NA	NA	NA
		Trade Sales	101.78	NA	NA	NA	NA
		Rent Received	6.00	NA	NA	NA	NA
		Income received for utility & Maintenance Services	0.70	NA	NA	NA	NA
		Tools & Consumables Sold	0.01	NA	NA	NA	NA
		<b>Sub - Total</b>		<b>261.38</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Mr. Amit Anil Rajee		Managerial Remuneration	18.58	NA	NA	NA	NA
		<b>Sub - Total</b>		<b>18.58</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Mr. Anil Anant Rajee		Managerial Remuneration	15.80	NA	NA	NA	NA
		<b>Sub - Total</b>		<b>15.80</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total</b>		<b>460.09</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	

#### ANNEXURE- B.IX : RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

(Amount in Lacs except EPS)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
Restated PAT as per P& L Account	75.68	NA	NA	NA	NA
Weighted Average Number of Equity Shares at the end of the Year	51.40	NA	NA	NA	NA
<b>Net Worth</b>	<b>1,749.99</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Earnings Per Share (without Bonus affect)					
Basic	1.47	NA	NA	NA	NA
Diluted	1.47	NA	NA	NA	NA
Earnings Per Share (with Bonus affect)					
Basic	-	NA	NA	NA	NA
Diluted	-	NA	NA	NA	NA
Return on Net Worth (%)	4.32	NA	NA	NA	NA
Net Asset Value Per Share (Rs)	34.05	NA	NA	NA	NA
Nominal Value per Equity share after Share Split (Rs.)	10	NA	NA	NA	NA

**Note:**

The Company does not have any diluted potential Equity Shares.

Consequently the basic and diluted profit/earning per share of the company remain the same.

The ratios have been calculated as below:

- Basic Earnings Per Share (Rs.)** = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.
- Diluted Earnings Per Share (Rs.)** = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.
- Return on Net Worth (%)** = Restated PAT attributable to Equity Shareholders/ Networth X 100.
- Restated Net Asset Value per equity share (Rs.)** = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year
- 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.
- Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- Net Worth** = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss).

The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company.

#### ANNEXURE - B.X: RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION

(Amount in Lacs)			
S. No.	Particulars	Pre issue	Post issue
	<b>Debts:</b>		
A.	Long Term Debt *	-	-
B.	Short Term Debt*	-	-
C.	<b>Total Debt</b>	-	-
	<b>Equity Shareholders Funds:</b>		
	Equity Share Capital**	494.01	706.01
	Reserves and Surplus	1297.22	1784.82
D.	<b>Total Equity</b>	<b>1791.23</b>	<b>2490.83</b>
E.	<b>Total Capitalization</b>		
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	-	-

Notes:

Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities

\* The amounts are considered as outstanding as on 31.03.2018.

\*\*Equity capital is considered as represented on Signed Report.

#### ANNEXURE - B.XI: RESTATED CONSOLIDATED STATEMENT OF TAX SHELTERS

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Restated Profit Before Tax</b>	<b>137.04</b>	NA	NA	NA	NA
Short Term Capital Gain at special rate	1.15	NA	NA	NA	NA
Normal Corporate Tax Rates (%)	25.75	NA	NA	NA	NA
Short Term Capital Gain at special rate	15.00	NA	NA	NA	NA
MAT Tax Rates (%)	20.39	NA	NA	NA	NA
<b>Tax thereon (including surcharge and education cess)</b>		NA	NA	NA	NA
Tax on normal profits	35.29	NA	NA	NA	NA
Short Term Capital Gain at special rate	0.17	NA	NA	NA	NA
Total	35.46	NA	NA	NA	NA
Adjustments:					
<b>Permanent Differences</b>					
Deduction allowed under	23.59	NA	NA	NA	NA

Income Tax Act					
Exempt Income	8.81	NA	NA	NA	NA
Allowance of Expenses under the Income Tax Act	4.00	NA	NA	NA	NA
Disallowance of Income under the Income Tax Act	20.21	NA	NA	NA	NA
Disallowance of Expense under the Income Tax Act	(17.32)	NA	NA	NA	NA
<b>Total Permanent Differences</b>	<b>39.29</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Timing Differences					
Difference between tax depreciation and book depreciation	(11.46)	NA	NA	NA	NA
Provision for bad debts	-	NA	NA	NA	NA
Total Timing Differences	(11.46)	NA	NA	NA	NA
<b>Net Adjustments E= (C+D)</b>	<b>48.86</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Tax (expense)/saving thereon	12.58	NA	NA	NA	NA
<b>Total Income/(loss) (A+E)</b>	<b>88.18</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Taxable Income/ (Loss) as per MAT	109.16	NA	NA	NA	NA
Income Tax as per normal provision	22.71	NA	NA	NA	NA
Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act	22.26	NA	NA	NA	NA
Net Tax Expenses (Higher of I,J)	22.71	NA	NA	NA	NA
Relief u/s 90/91	-	NA	NA	NA	NA
Mat Credit Used	0.45	NA	NA	NA	NA
Total Current Tax Expenses	22.26	NA	NA	NA	NA
Adjustment for Interest on income tax/others	-	NA	NA	NA	NA
Total Current Tax Expenses (Tax Paid this year)	22.26	NA	NA	NA	NA

#### ANNEXURE - B.XII: RESTATED CONSOLIDATED STATEMENT OF FINANCIAL INDEBTEDNESS

##### Unsecured Loan

(Amount in Lacs)

S. No.	Bank Name	Terms of Repayment	Outstanding	Security
			as on Mar 31, 2018	
N.A.				

##### Short term Loan

(Amount in Lacs)

S. No.	Bank Name	Terms of Repayment	Outstanding	Security
			as on Mar 31, 2018	
N.A.				

##### Long Term Loan

(Amount in Lacs)

S. No.	Bank Name	Terms of Repayment	Outstanding	Security
			as on Mar 31, 2018	
N.A.				

**ANNEXURE - B.XIII: RESTATED CONSOLIDATED STATEMENT OF DIVIDEND**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,				
	2018	2017	2016	2015	2014
<b>Share Capital</b>					
Equity Share Capital	494.01	NA	NA	NA	NA
Dividend on equity shares declared during the year	-	NA	NA	NA	NA
Dividend in %	-	NA	NA	NA	NA

**ANNEXURE - B.XIV: ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES**

(Amount in Lacs)

Particulars	For The Year Ended March 31 <sup>st</sup> ,									
	2018		2017		2016		2015		2014	
	(Net Assets - Total Assets - Total Liabilities)									
	As % of Consolidated		As % of Consolidated		As % of Consolidated		As % of Consolidated		As % of Consolidated	
	Net Assets (%)	Amt.	Net Assets (%)	Amt.	Net Assets (%)	Amt.	Net Assets (%)	Amt.	Net Assets (%)	Amt.
AIC- Aartech Solonics Private Limited	100%	-9.31	NA	NA	NA	NA	NA	NA	NA	NA
Faradigm Ultracapitors Private Limited	100%	-10.07	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>100%</b>	<b>-19.38</b>	NA	NA	NA	NA	NA	NA	NA	NA

(Amount in Lacs)

Particulars	Share in Profit or Loss									
	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.	As % of Consolidated profit or loss	Amt.
Aartech Solonics Limited	128.25%	97.07	NA	NA	NA	NA	NA	NA	NA	NA
AIC- Aartech Solonics Private Limited	-13.62%	-10.31	NA	NA	NA	NA	NA	NA	NA	NA
Faradigm Ultracapitors Private Limited	-14.63%	-11.07	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>100.00%</b>	<b>75.69</b>	NA	NA	NA	NA	NA	NA	NA	NA

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
AS REFLECTED IN THE FINANCIAL STATEMENTS**

**1. Overview of the Business**

Our Company was originally incorporated as “Aartech Solonics Private Limited” on August, 24<sup>th</sup>, 1982 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gwalior, Madhya Pradesh. Later on, the company was converted into public limited company, the name of our Company was changed to —“Aartech Solonics Limited” and fresh Certificate of Incorporation dated April 23rd, 1992 was issued by the Registrar of Companies, Gwalior, Madhya Pradesh.

Aartech Solonics Limited is a system solution oriented R&D enterprise in the field of specialized and selected energy appliances. The company is involved in the manufacturing of electricity distribution & control apparatus [electrical apparatus for switching or protecting electrical circuits (e.g. switches, fuses, voltage limiters, surge suppressors, junction boxes etc.) for a voltage exceeding 1000 volts; similar apparatus (including relays, sockets etc.) for a voltage not exceeding 1000 volts; boards, panels, consoles, cabinets and other bases equipped with two or more of the above apparatus for electricity control or distribution of electricity including power capacitors

Our history of being in the Energy sector goes back to 1982, and as a Limited company, it was registered in the year 1992. Since then, we have been providing technical expertise to all our customers in expanding energy market across the globe. The company is known for its rich credentials in the highly specialized field of fast bus transfer systems for medium voltage installations in power plant & process industries. Aartech BTS – 2000 Micro processor based fast bus transfer

**2. Significant Development subsequent to last period**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in this Offer Document which materially or adversely affect or is likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay liabilities within the next twelve months.

**3. Factors that may affect results of operations**

The Risk Factors in this Offer Document and the following important factors could cause actual results to differ materially from the expectations.

**A. General economic and business conditions:**

As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust services sector. The overall economic growth will therefore impact the results of our operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macroeconomic factors.

**B. Our ability to successfully implement the strategy of growth and expansion:**

Our growth plans would put significant demands on the management team and other resources. Any delay in implementation of the strategy could impact the Company's roll out schedules and result in cost and time over runs.

**C. Factors affecting industrial activity:**

Our business is also dependent on skilled labour. Any disruption in relationship with employees may lead to labour unrest and thereby affect our business. Any change in the factors such as industrial policies, tariffs, excise duties etc may also affect the activities of the lead industry and our operations.

**D. Increasing competition in the industry:**

There are several small unorganized suppliers who are able to cater the industry at low cost due to non compliance of environment regulations. The technological edge available with the Company, wide product range and global footprint has helped us in retaining our customers. The entry barriers in this industry pertain to the ability to readily source the raw material and manufacture a wide range of lead products with environment friendly technology.

**E. Increases in raw materials prices:**

We are subject to fluctuations in the raw material prices and any abnormal fluctuations could impact our working adversely. A substantial part of our cost is freight and hence any abnormal increase in the freight cost may affect our working adversely.

**F. Cyclical or seasonal fluctuations in the operating results:**

Our business is not subject to any seasonal and cyclical trends.

**G. Amount that the Company is able to realize from the clients:**

The Company has been operating in this industry for several years and has an internal system to determine the credit worthiness of its customers. The Company sells its products and the payment cycle is between 40 to 60 days. Any increase in competition may change the terms prevalent in the industry and our company would be required to review its policies.

**H. Changes in laws and regulations that apply to the industry:**

There are various rules and regulations outlined by the government of the various locations that the Company/subsidiaries operate in. Changes in government controls or regulatory frameworks may impact the industry and our Company.

**I. Social or civil unrest or hostilities with neighboring countries or acts of international terrorism:**

Social or civil unrest or hostilities with neighboring countries or acts of international terrorism may affect the Company adversely, which are not anticipated as of now.

**J. Changes in the foreign exchange control regulations, interest rates and tax laws in India:**

There will be substantial impact in our industry due to change in the foreign exchange control regulation, interest rates and tax laws in India. The impact could be positive or negative.

**4. Discussion on Results of Operations based on restated Financials Analysis of Financial Performance of Aartech Solonics Limited**

The following discussion of the financial condition and results of operation together with the financial statements for each of the financial years ended March 31, 2014, 2015, 2016, 2017, 2018 including the notes there to and the reports, schedules and annexure thereon, which appear in the Auditors' Report included in the Offer Document on page no. 130. These financial statements are prepared in accordance with Indian GAAP and the Companies Act and are in accordance with SEBI ICDR Regulations.

The Audited Financial Statements are prepared in accordance with the Indian Accounting Standards.

Particulars (For the Year ended)	31 <sup>st</sup> , March 2018	% of Total Income	31 <sup>st</sup> March 2017	% of Total Income	31 <sup>st</sup> March 2016	% of Total Income	31 <sup>st</sup> March 2015	% of Total Income	31 <sup>st</sup> March 2014	% of Total Income
Revenue from Sale of Product	1130.28	93.53	1272.85	94.84	973.38	94.89	923.26	92.85	886.04	92.90
Other Income	78.23	6.47	69.20	5.16	52.47	5.11	71.09	7.15	67.75	7.10
<b>Total Income</b>	<b>1208.50</b>	<b>100.00</b>	<b>1342.05</b>	<b>100.00</b>	<b>1025.84</b>	<b>100.00</b>	<b>994.35</b>	<b>100.00</b>	<b>953.79</b>	<b>100.00</b>
Cost of Direct Expenses	599.74	49.63	975.05	72.65	584.74	57.00	333.54	33.54	524.83	55.03
Changes in Inventories	-1.61	-0.13	-161.18	-12.01	-52.51	-5.12	68.13	-6.85	-9.08	-0.95
Employee Benefits Expenses	233.10	19.29	256.21	19.09	263.11	25.65	263.96	26.55	272.68	28.59
Finance Costs	7.52	0.62	7.64	0.57	17.72	1.73	9.20	0.93	19.88	2.08

Depreciation And Amortization Expense	31.25	2.59	31.70	2.36	33.96	3.31	28.95	2.91	27.05	2.84
Other Expenses	201.47	16.67	200.38	14.93	152.73	14.89	148.45	14.93	186.55	19.56
<b>Total Expenses</b>	<b>1071.47</b>	<b>88.67</b>	<b>1309.81</b>	97.60	<b>999.75</b>	97.46	<b>852.24</b>	85.71	<b>1021.91</b>	107.14
Profit before exceptional and extraordinary items and tax	137.04	11.33	32.25	2.40	26.09	2.54	142.11	14.29	-68.12	-7.14
Exceptional/Prior Period item	-	-	-	-	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	137.04	11.33	32.25	2.40	26.09	2.54	142.11	14.29	-68.12	-7.14
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	137.04	11.33	32.25	2.40	26.09	2.54	142.11	14.29	-68.12	-7.14
- Current Tax	22.26	1.84	4.57	0.34	4.97	0.48	28.43	2.86	0.00	-
- Deferred Tax Liability/(Assets)	-2.81	-0.23	-2.41	-0.18	-1.69	-0.16	1.06	0.11	2.29	0.24
<b>Restated profit after tax for the period from continuing operations</b>	<b>117.58</b>	<b>9.73</b>	<b>30.09</b>	<b>2.24</b>	<b>22.81</b>	<b>2.22</b>	<b>112.62</b>	<b>11.33</b>	<b>-70.41</b>	<b>-7.38</b>

## 5. Key Components of Company's Profit And Loss Statement

**Revenue from Sale of Product:** Revenue from sale of various types of products.

**Other Income:** Other income primarily comprises of Interest Income, Expenses recovered from clients, Rental Income & Gain on Foreign Exchange.

**Expenses:** Company's expenses consist of cost of Direct Expenses, Material consumed, administration & Other Expenses, finance costs, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

**Finance Costs:** Finance cost comprises interest on Bank charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a Written Down Value Method (WDV method) as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Administration & Other Expenses:** Other expenses include Rent, electricity, business promotion, repairs, office maintenance expenses, travelling and conveyance expenses, telephone and internet expenses and miscellaneous expenditure etc.

### **Financial performance Highlights for the period ended 31<sup>st</sup>, March, 2018**

#### **Total Income:**

The company's total income during the Financial Year March, 2018 was Rs. 1208.50 Lakh. The revenue from operations was Rs. 1130.28 Lakh.

**Total Expenses:**

The total expenditure during the Financial Year March, 2018 was Rs. 1071.47 Lakh. The total expenditure represents 88.66% of the total revenue. The total expenses are represented by Cost of Materials consumed, Changes in inventories, Employee Benefits Expense, Administrative and other Expenses, Finance Costs, Depreciation and Amortization Expense. The main constituent of total expenditure is Cost of Materials consumed and Employees benefit exp. which is Rs. 599.74 Lakh and Rs.233.10 Lakh respectively.

**Profit/ (Loss) after tax:**

The restated net profit during the Financial Year March, 2018 was Rs. 117.58 Lakh representing 9.73% of the total revenue of the Company.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016**

**Total Income:**

During the year 2016-17 the total revenue of the company increased to Rs. 1272.85 Lakh as against Rs. 973.38 Lakh in the year 2015-16, representing an increase of 30.77% as compared to previous year. This increase was mainly due to increase in domestic supply of products and services.

**Other Income:**

Other income of the Company for the year 2016-17 was Rs. 68.20 Lakh in comparison with Rs. 52.47 Lakh for F.Y. 2015-16.

**Total Expenses:**

The total expenditure for the year 2016-17 increased to Rs. 1309.81 Lakh from Rs. 999.75 Lakh in year 2015-16, representing an increase of 31.01% to the previous year.

**Cost of Material Consume:**

The Cost of Material Consume for the year 2016-17 increased to 975.05 Lakh from Rs. 584.74 Lakh, representing an increase of 66.75% to the 2015-16.

**Employee Benefits Expense:**

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses decreased to Rs. 256.21 Lakh during the F.Y. 2016-17 from Rs. 263.11 Lakh in thej previous year 2015-16.

**Finance Costs:**

Finance cost for the year 2016-17 decreased to Rs. 7.64 Lakh as against Rs. 17.72 Lakh of the year 2015-16.

**Depreciation and Amortization Expense:**

Depreciation for the year 2016-17 stood at Rs. 31.70 Lakh calculated as per companies Act. For the year 2015-16 the same was Rs. 33.96 Lakh.

**Other Expenses:**

Administrative and other Expenses include, electricity, Rent, repairs, business promotion expenses office maintenance expenses, travelling and conveyance expenses, telephone and internet expenses and miscellaneous expenditure etc. These expenses increased to Rs. 200.38 Lakh for the year 2016-17 as against Rs. 152.73 Lakh of the year 2015-16.

**Profit/ (Loss) Before Tax**

The company's profit before tax for F.Y. 2016-17 was Rs. 32.25 Lakh as against Rs. 26.09 Lakh in the year 2015-16 representing an increase of 23.61% to the previous year.

**Profit/ (Loss) After Tax**

For the year 2016-17 the profit stood at Rs. 30.09 Lakh as against the profit of Rs. 22.81 Lakh for the year 2015-16, representing an increase of 31.92% to the previous year.

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015**

#### **Total Income:**

During the year 2015-16 the total revenue of the company increased to Rs. 973.38 Lakh as against Rs. 923.26 Lakh in the year 2014-15, representing an increase of 5.43% of the previous year. This increase was mainly due to increase in domestic supply of products and services.

#### **Other Income:**

Other income of the Company for the year 2015-16 was Rs. 52.47 Lakh in comparison with Rs. 71.09 Lakh for F.Y. 2014-15.

#### **Total Expenses:**

The total expenditure for the year 2015-16 increase to Rs. 999.75 Lakh from Rs. 852.24 Lakh in year 2014-15, representing an increase of 17.31% to the previous year.

#### **Cost of Material Consume:**

The Cost of Material Consume for the year 2015-16 increased to Rs. 584.74 Lakh from Rs. 333.54 Lakh, in year 2014-15 representing an increase of 75.31% to the previous year.

#### **Employee Benefits Expense:**

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses decrease to Rs. 263.11 Lakh during the F.Y. 2015-16 from Rs. 263.96 Lakh in the previous year 2014-15.

#### **Finance Costs:**

Finance cost for the year 2015-16 increased to Rs. 17.72 Lakh as against Rs. 9.20 Lakh of the year 2014-15. This increase in amount was due to taking of the loan and borrowings and increase in bank & other borrowing charges.

#### **Depreciation and Amortization Expense:**

Depreciation for the year 2015-16 stood at Rs. 33.96 Lakh calculated as per companies Act. For the year 2014-15 the same was Rs. 28.95 Lakh.

#### **Other Expenses:**

Administrative and other Expenses include electricity, Rent, business promotion, repairs, office maintenance expenses, travelling and conveyance expenses, telephone and internet expenses and miscellaneous expenditure etc. These expenses were for the year 2015-16 increased to Rs. 152.73 Lakh as against Rs. 148.45 Lakh of the year 2014-15.

#### **Profit/ (Loss) Before Tax**

The company's profit before tax for F.Y. 2015-16 decrease to Rs. 26.09 Lakh from Rs. 142.11 Lakh in the year 2014-15 representing an decrease of 81.64% compared to the previous year.

#### **Profit/ (Loss) After Tax**

For the year 2015-16 the profit stood at Rs. 22.81 Lakh as against the profit of Rs. 112.62 Lakh for the year 2014-15, representing a decrease of 79.75% compared to the previous year.

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014**

#### **Total Income:**

During the F.Y. 2014-15 the total income of the Company increased to Rs. 923.26 Lakh as against previous financial year 2013-14 of Rs. 886.04 Lakh.

**Total Expenses:**

Total expenditure for the F.Y. 2014-15 decreased to Rs. 852.24 Lakh from Rs. 1021.91 Lakh in FY 2013-14.

**Employee benefits expense:**

Employee benefits expense decreased to Rs. 263.96 Lakh in the F.Y 2014-15 from Rs. 272.68 Lakh in FY 2013-14.

**Finance Costs:**

Finance costs decreased to Rs. 9.20 Lakh in F.Y 2014-15 as compared to F.Y 2013-14 in which it was Rs. 19.88 Lakh.

**Depreciation and amortization expense:**

Depreciation and amortization expense increased in FY 2014-15 to Rs. 28.95 Lakh from Rs. 27.05 Lakh compared to previous year FY 2013-14.

**Other Expenses:**

Other expenses for the F.Y 2014-15 decreased to Rs. 148.45 Lakh whereas it was Rs. 186.55 Lakh in previous F.Y. 2013-14.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2014-15 increased to Rs. 142.11 Lakh as against Rs. -68.12 Lakh for the previous year 2013-14.

**Profit after tax:**

The Restated profit after tax for the F.Y 2014-15 increased to Rs. 112.62 Lakh as against Rs. -70.41 Lakh in the previous year 2013-14.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. *Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**2. *Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Except for any change in economic policy affecting the service industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. *Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 9 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. *Future changes in relationship between costs and revenues***

Our Company's future costs and revenues will be determined by growth of our industry.

**5. *Increases in net sales or revenue and Introduction of new products or services or increased sales prices***  
Increases in revenues are by and large linked to increases in volume of our services and Contracts.

**6. *Status of any publicly announced New Products or Business Segment***

Our Company has not announced any new Product.

**7. Seasonality of business**

Our Company's business is not seasonal in nature.

**8. Competitive conditions**

Competitive conditions are as described under the Chapters "Industry Overview" and "Business Overview" beginning on pages 76 and 82 respectively of this Prospectus.

**9. Details of material developments after the date of last balance sheet.**

Except as disclosed in this Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions:**

There have been no events, other than as described in this Offer Document, which may be called "Unusual" or "infrequent".

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations:**

Government's policy on Recycling Industry will have major bearing on companies involved in these sectors. Any major changes in policies of government would have a significant impact on the operations of our Company.

**3. Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:**

Apart from the risks disclosed in this Drafted Prospectus, there are no other trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations. The sales price of the lead is determined based on the London Metal Exchange (LME) and abnormal changes could have an impact on sales & profits of the company.

**4. Future changes in relationship between costs and revenues, such increase in labour cost or raw material prices will cause a material change:**

Review of trends in the Power industry over the past few years and current developments within the user industry are positive in terms of increase in demand from existing users of industry and also from new users of the product. The Company endeavors to pass on cost due to abnormal fluctuations in raw material prices. Our Company would benefit due to rationalisation and unified direct tax structure since it would provide a level playing field on national and international scale.

**5. The extent to which there has been increase in net sales or revenue due to increased sales volume, introduction of new products or services or increased sales prices:**

The increase in turnover is due to a mix of increase in sales volume as well as increase in sales prices. Further, the sales price of our products are also determined based on lead prices.

**6. Total turnover of each major industry segment in which the Company operated:**

The Company is operating only in One segments namely manufacturing of power equipment.

**7. Status of any publicly announced new product:**

The Company has not publicly announced any new products. However the Company may deal in any new products, depending on the business strategy demand in future.

**8. Dependence on few suppliers / customers:**

The Company sources raw material from number of suppliers and is not under threat from excessive dependence on any single or a few suppliers. Similarly, the Company has global and nationwide customers for its products and hence there is no dependence on any single customer.

**9. Competitive conditions:**

The Company faces competition from small players in unorganized sector. However, in the long run, all the small and medium players are expected to be covered in single policy thereby creating a level playing field.

## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non-payment of statutory dues, over dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956 and/or paragraph (i) of Part I of Schedule V of the Companies Act, 2013) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

#### This chapter has been divided into following Parts:

1. Outstanding litigations involving Our Company.
2. Outstanding litigations involving Our Promoters.
3. Outstanding litigations involving Our Directors.
4. Outstanding litigations involving Our Group Companies.
5. Penalties imposed in past cases for the last five years.
6. Material Developments.

#### 1. Outstanding litigations involving our Company

##### (a) Litigations by Company:

Sr. No.	Case No.	Subject Matter and Relief Sought	Amount Involved
1.	FIR Number 262/2013 Cyber PS, Bhopal, Madhya Pradesh	On a Complaint filed by Amit Raje, Whole Time Director, Aartech Solonics Limited, the FIR no 262 /13 dated 15/07/2013 against Ms Namita Gupta & Others been registered at Cyber Police u/s 420, 406, 408, 120(B) of IPC, 1860. No notice received in this regard	31,106/-
2.	Application No. MP35B0000574/S/00001	Applicant/ Claimant M/S Aartech Solonics Limited. , Mandideep Distt. Raisen, Office Address- E-2/57, Aashirwaad, Arera Colony, Bhopal has preferred claim against (i)M/S G.E.T. Power Pvt. Ltd., Mr. Soumitra Shankar Samaddar, Director, and (ii) M/s G.E.T. Power Pvt. Ltd., Mr. B. Nagaraju, Director, Address- Tec Pro Towers, Plot no.- 11-A17, 5 <sup>th</sup> Cross Road, Sipcot IT Park, Siruseri- 603 103, Chennai, claiming sum of Rs. 5,71,515 along with interest sum of Rs. 15,23,326	20,94,841/-

Sr. No.	Case No.	Subject Matter and Relief Sought	Amount Involved
		(interest calculated upto 21.12.2016), total sum of Rs 20,94,841 before Madhya Pradesh Micro and Small Enterprises Facilitation Council (MSEFC), which was registered as case no. MSEFC/513/2014. Notices were issued to the parties. On hearing dated 23-06-2016 the counsels of the parties were advised by the council to resolve the issue through mediation and appraise the council before next date of hearing which is not yet fixed.	
3.	Application No. No. HP11A0001356/M/00001	An application has been preferred by M/S Aartech Solonics Limited, Address Khasra no. 311, near Him Cold Storage Sector-1A, Parwanoo Distt. Solan, Himanchal Pradesh, before Micro and Small Enterprises Facilitation Council, Himanchal Pradesh, for recovery of payment of sum of Rs. 10,26,000 from buyer M/S Gupta Energy Pvt. Ltd., address of 5 <sup>th</sup> floor, Gupta Tower, Temple Road, Civil Lines, Nagpur-440001, Maharashtra. The proceeding is pending at the Notice stage. No notice of proceedings has been initiated best known to the applicant.	10,26,000/-
4.	RT/9693/2011	A complaint case was filed by M/S Aartech Solonics. Limited before judicial magistrate first class at Bhopal u/s 138 of NI Act against M/S Doer Control Pvt. Ltd. through its director Mr. Sanjay Bairagi Address of Plot 51-A, Sector C, Industrial Area, Mandideep, Raisen (M.P.). The Dishonoured Cheque Values sum of Rs.1,07,350/- whereas the status of the case is at notice stage. Status: Pending.	1,07,350/-

**(b) Litigation against Company: NIL**

## **2. Outstanding litigations involving Our Promoters:**

**(a) Litigations by Promoters: NIL**

**(b) Litigation against Promoters: NIL**

## **3. Outstanding litigations involving Our Directors:**

**(a) Litigations by Directors: NIL**

**(b) Litigation against Directors: NIL**

## **4. Outstanding litigations involving Our Group Companies:**

**(a) Litigation by Group Companies: NIL**

**(b) Litigation against Group Companies: NIL**

## **5. Penalties imposed in past cases for the last five years: NIL**

## **6. Material Developments**

Except as stated above, there are no material developments after the date of the last audited balance sheet, which may materially affect the performance, or prospects of the Company.

## **7. Other defaults**

There is no other default involving the issuer company or its subsidiary, its director, promoters, promoter group entities.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and Governmental Agencies which are required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Offer and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of this Draft Prospectus.

*It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### 1. Approvals for the Issue:

1. The Board of Directors has, vide their resolution passed at its meeting held on December, 27<sup>th</sup>, 2017, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1) (c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The Shareholders of the Company have, vide their resolution passed at its meeting held on February, 7<sup>th</sup>, 2018, authorized the Issue under Section 62(1) (c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
3. The Company has entered into an agreement dated 04<sup>th</sup>, March, 2018 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who, in this case, is Bigshares Services Private Limited, for the dematerialization of its shares.
4. The Company has also entered into an agreement dated 04<sup>th</sup>, June, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who, in this case, is Bigshares Services Private Limited, for the dematerialization of its shares.
5. The Company has obtained in-principle listing approval dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE.
6. The Company’s International Securities Identification Number (“ISIN”) is INE01C001018.

### A. Registration under the Companies Act, 1956 and 2013:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Registrar of Companies, Madhya Pradesh & Chattisgarh, Gwalior	Certificate No. 10 - 02030 of 1982 dated August 24, 1982	The Companies Act, 1956	Certificate of Incorporation of Aartech Solonics Private Limited	Valid, till Cancelled
2.	Registrar of Companies, Madhya Pradesh & Chattisgarh, Gwalior	Certificate No. 10 - 02030 of 1992 dated April 23, 1992	The Companies Act, 1956	Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company	Valid, till Cancelled

### B. Registration under various Tax Laws, Acts, Rules Regulations:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Income Tax Department	AACCA5369B	The Income Tax Act, 1961	Permanent Account Number	Valid till Cancelled
2.	Office of the Assistant Commissioner, Madhya Pradesh	AACCA5369BST001	The Finance Act, 1994 read with Service Tax Rules, 1994	Service Tax Registration Number	Valid till Cancelled

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
3.	Office of the Assistant Commissioner, Central Excise Division, Shimla	AACCA5369BST003	The Finance Act, 1994 read with Service Tax Rules, 1994	Service Tax Registration Number	Valid till Cancelled
4.	Department of Excise and Taxation , Government of Himachal Pradesh	02020500206	The Central Sales Tax Act, 1956 & The Central Sales Tax (Registration and Turnover) Rules,1957	Central Sales Tax Number for state of Himachal Pradesh	Valid till Cancelled
5.	Department of commercials Tax, Government of Madhya Pradesh^	23064000455	The Central Sales Tax Act, 1956 & The Central Sales Tax (Registration and Turnover) Rules,1957	Central Sales Tax Number for state of Madhya Pradesh	Valid till Cancelled
6.	Department of Excise and Taxation, Himachal Pradesh	02020500206 valid from 08.12.2005	The Himachal Pradesh Values Added Tax Act, 2005	VAT Registration Number for Himachal Pradesh State	Valid, till Cancelled
7.	Department of commercials Tax, Government of Madhya Pradesh^	23064000455	The Madhya Pradesh Values Added Tax Act, 2002	VAT Registration Number for Madhya Pradesh State	Valid, till Cancelled
8.	Government of Madhya Pradesh	GSTIN: 23AACCA5369B1Z4	The Madhya Pradesh Goods and Services Tax Act, 2017	Certification of Registration under the Central Goods And Services Tax Act, 2017	Valid, till Cancelled
9.	Government of Himachal Pradesh	GSTIN: 02AACCA5369B1Z8	The Himachal Pradesh Goods and Services Tax Act, 2017	Certification of Registration under the Central Goods And Services Tax Act, 2017	Valid, till Cancelled
10	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade	Importer – Exporter Code: 1189001535 issued on November, 16, 1989	Foreign Trade (Development & Regulation) Act, 1992	Import Export Code	Valid, till Cancelled
11.	Office of the assistant Commissioner, Central Excise Division-II	ECC Number: AACCA5369BEM001	the Central Excise Act, 1944 and the Central Excise (No.2) Rules, 2001	Excise Control Code Number	Valid, till Cancelled


#### C. Licenses/ Approvals under Industrial and Labour Laws:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Regional Provident Fund Commissioner, Regional Office, Madhya Pradesh^	Code No:- MPBPL0006896000	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Registration with Regional Provident Fund Office for Depositing the Contribution and Subscription of the employees.	Valid, till Cancelled

2.	Reliance General Insurance Company Limited	Policy No.:- 230121728430000001	The Employees' State Insurance Act, 1948	Insurance for Employees of the Company	Valid, till 02 <sup>nd</sup> , November, 2018
3.	Jt. Chief Inspector of Factories Madhya Pradesh	License No.:7/10466/RSN/2MI/NH	The Factories Act, 1948	License to Work a Factory	Valid till December, 31 <sup>st</sup> , 2019
4.	Officer of Professional Tax.	Code No. 78534000453	The Madhya Pradesh State Tax on Profession, Trade, Callings and Employment Act, 1976	Certificate of Registration for Professional Tax	Valid, till Cancelled

^ Approval is in the name of "Aartech Solonics Private Limited". The Company is in the process of getting registered as "Aartech Solonics Limited".

#### D. Registration under the Trade Mark Act, 1999:

Sr. No.	Authority Granting Approval	Trademark Application No.	Class of Trademark	Nature of Approvals
1.	Trademarks Registry, Mumbai	2005555	Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking, (supervision), life-saving and teaching apparatus and instruments, Apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity Apparatus for recoding, transmission or reproduction of sound or image, etc. in Class No. 9	Approval for using below mark as registered trade mark 

#### B. Other Certificates, license, approval etc.:

Sr. No.	Authority Granting Approval	Registration No.	Applicable Laws/Rules	Nature of Approvals	Validity
1.	Ministry of Micro, Small and Medium Enterprises	230471200890	-----	Udyog Adhaar Memorandum	Valid, till Cancelled

Sr. No.	Authority Granting Approval	Registration No.	Applicable Laws/Rules	Nature of Approvals	Validity
2.	United Registrar of Systems Limited	Certificate Registration Number: 64682/A/0001/NB/En	-----	ISO 9001:2008, (Design, manufacture and Supply of Specialized Energy Applications Such As: Bus Transfer System, Ultracapacitors, Control Protection and Automation, Load Limiters, Fault Current Limiters, Testing Seices, Power Quality Solution, CustomSpecific Application	Valid till May, 15, 2021.
3.	Member Secretary, SWCA Parwanoo, District Solan	SWCA/PWN/EM-II/F (539) issued on July, 05, 2013	Micro, Small and Medium Enterprises Development (MSMED) Act, 2006	Approval for Entrepreneurs Memorandum Part-II	Valid, till Cancelled

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue:

The Issue has been authorized by a Board of Directors vide their resolution passed at their meeting held on December, 27<sup>th</sup>, 2017 subject to the approval of shareholders of our Company through a special resolution pursuant to Section 62(1) (c) of the Companies Act, 2013. The shareholders of our Company have authorized the Issue by a passing special resolution at their EoGM held on February, 07<sup>th</sup>, 2018 pursuant to section 62(1) (c) of the Companies Act, 2013.

We have received in principle approval from BSE vide their approval dated [●] to use the name of BSE-SME Platform in the Draft Prospectus for listing of our Equity Shares on BSE-SME platform. BSE-SME Platform is the Designated Stock Exchange

### Prohibition by SEBI

Our Company, Promoters, Promoter Group, Directors and Group Companies and natural person having control over the Promoter have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters, Directors was or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as promoters or directors.

### Disclosure for willful defaulters

Neither our Company nor our Promoters nor person belonging to promoters' group nor Group Companies, have been identified as willful defaulters. There are no violations of securities laws committed by any of them.

### Eligibility for the Issue

We are an issuer whose post issue paid-up capital is not more than Rs. 10 Crore and therefore, 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. Our Company also complies with the eligibility conditions laid by the BSE-SME Platform of BSE Limited for listing of our Equity Shares.

### We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting by LM and underwriter, please refer to chapter titled "General Information" beginning on page no. 34 of this Draft 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 is 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 our company becomes liable to repay it, then our 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.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have neither filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. We shall also ensure that our Lead Manager submits 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.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement, see chapter titled "General Information" beginning on page no. 34 of this Draft Prospectus.

For further details of the market making arrangement, see chapter titled "General Information" beginning on page no. 34 of this Draft Prospectus.

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 Chapter XB of SEBI (ICDR) Regulations, 2009, the provisions of sub regulations (1), (2) and (3) of regulation 6, 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 for this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform of BSE, which states as follows:

**1. The Issuer should be a company incorporated under the Companies Act 1956.**

Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than Rs. 2500.00 Lakh.**

The present paid-up capital of our Company is Rs. 494.00 Lakh and we are proposing issue of 21,20,000 Equity Shares of Rs. 10/- each at issue price of Rs. 34/- per Equity Share including share premium of Rs. 24/- per Equity Share aggregating to Rs. 720.80 Lakh. Hence, our Post Issue Capital will be Rs. 706.00 Lakh which less than Rs. 2500.00 Lakh.

**3. Net worth positive.**

(Rs. In Lacs)

Particulars	2017-2018	2016-2017	2015-2016
Net Worth as per Restated Financials Statement	1791.23	1676.67	1646.58

**4. Track Record:**

A. The company should have a (combined) track record of at least 3 years.

(Rs. In Lacs)

Particulars	2017-2018	2016-2017	2015-2016
Profit/(Loss) as per Restated Financial Statement	117.58	30.09	22.81

B. The company should have combined 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.

(Rs. In Lacs)

Particulars	2017-2018	2016-2017	2015-2016
Cash Accruals as per Restated Financial Statement	168.29	63.95	60.05
Net Worth as per Restated Financial Statement	1791.23	1676.67	1646.58

**5. Other Requirement**

A. Our Company has a website i.e. <http://www.aartechsolonics.com/>.

B. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a tripartite agreement dated 04<sup>th</sup>, June, 2018 with NSDL, our Company and Registrar to the Issue;
- a tripartite agreement dated 04<sup>th</sup>, March, 2018 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE01C001018.

C. There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment. There is no such change in the Promoters of our Company.

**6. Disclosures**

We confirm that certificate confirming the below details is submitted to the Stock Exchange;

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.

#### **SEBI DISCLAIMER CLAUSE**

**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 LEAD MERCHANT BANKER, SWASTIKA INVESTMART 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 LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER SWASTIKA INVESTMART LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED 03<sup>RD</sup> SEPTEMBER, 2018 WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENTS DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT 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 PROSPECTUS FILED WITH THE BOARD/ EXCHANGE 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 PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013 AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, 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 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 PROMOTER 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 PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 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 ISSUER 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 OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE AS SECTION 29 OF THE COMPANIES ACT, 2013, INTER ALIA, PROVIDES THAT EVERY COMPANY MAKING PUBLIC OFFERS SHALL ISSUE SECURITIES ONLY IN DEMATERIALIZED FORM BY COMPLYING WITH THE PROVISIONS OF THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.**
- 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 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.**

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE 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 PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON “PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)”, AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR. AS PER ANNEXURE “A”.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. -- *COMPLIED WITH TO EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARDS 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE:**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT 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 OFFER DOCUMENT 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 OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT 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.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GWALIOR, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT.

**TABLE 1**

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30 <sup>th</sup> Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90 <sup>th</sup> Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180 <sup>th</sup> Calendar Days from Listing
1	Prolife Industries Limited	4.218	38.00	January 9, 2017	42.00	+11.90* (+6.47)**	+2.61* (+11.68)**	-4.76%* (+18.63)**
2.	Sanginita Chemicals Limited	10.045	22.00	March 10, 2017	23.00	+13.04* (+2.96)**	+76.96%* (+4.27)**	+117.40%* (+11.20)**
3	Airan Limited	14.85	45.00	March, 24, 2017	54.00	+21.75* (+0.12)**	+192.5%* (+5.73)**	+254%* (+9.40)**
4	Sikko Industries Limited	5.12	32.00	April, 18, 2017	34.40	+11.54** (+3.58)**	+5.98* (+9.80)**	-4.86%* (+1.23)**
5	Transwind Infrastructures Limited	7.29	27.00	July, 12, 2017	30.85	+6.97* (-1.07)**	+10.21* (+1.71)**	+6.96* (+8.23)**
6	Reliable Data Services Limited	14.82	57.00	October, 11, 2017	68.40	-6.43* (+3.37)**	+2.34* (+6.53)**	-17.25* (+4.33)**
7	Milton Industries Limited	14.28	34.00	October, 16, 2017	40.80	-24.02* (-1.10)**	-26.71* (+4.40)**	-36.27* (+2.91)**
8	Sharika Enterprises Limited	13.86	43.00	November, 27, 2017	51.60	+2.71* (+0.56)**	-0.19* (-0.16)**	-7.95 (+3.56)**
9.	Zodiac Energy Limited	10.14	52.00	December, 05, 2017	62.40	-13.86* (+3.82)**	-41.57* (+3.36)**	-47.12* (+5.71)**
10.	Inovana Thinklabs Limited	7.70	70.00	December, 12, 2017	77.00	+114.29* (+4.01)**	+192.21* (+1.77)**	+418.12* (+5.51)**
11.	Solex Energy Limited	7.17	52.00	February, 05, 2018	43.50	+10.23* (-3.91)**	+4.60* (+0.46)**	-8.05* (+6.76)**
12.	Inflame Appliances limited	6.48	54.00	March, 16, 2018	50.70	-14.20* (+3.06)**	-17.16* (+7.31)**	-
13.	Ridings Consulting Engineers India Limited	6.55	18.00	March, 26, 2018	18.50	+18.65* (+4.69)**	+18.92* (+7.93)**	-
14.	Indo Us Bio-Tech Limited	7.29	51.00	May, 11, 2018	55.05	-0.09* (-0.26)**	-7.18* (+6.79)**	-
15.	Megastar Foods Limited	8.04	30.00	May, 23, 2018	30.50	+65.57* (+3.92)**	+65.57* (+11.47)**	-
16.	Bright Solar Limited	19.44	36.00	July, 09, 2018	36.60	+28.14* (+5.50)**	-	-

**Note:-**

\* The Base price to calculate +/- % Change in Closing Price, 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> Calendar Days from Listing is the "Opening Price" at the Date of Listing.

\*\* The Base price to calculate +/- % Change in Closing Benchmark, 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> Calendar Days from Listing is the "Closing Price" at the Date of Listing.

**TABLE 2**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016-17	3	29.113	-	-	-	-	-	3	-	-	1	2	-	-
2017-18	10	93.41	-	-	4	1	-	5	-	2	4	1	-	1
2018-19	3	34.77	-	-	1	1	1	-	-	-	-	-	-	-

### Caution- Disclaimer from Our Company and the Lead Manager

The Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone depending on any other source of information, including our website: [www.aartechsolonics.com/](http://www.aartechsolonics.com/) would be doing so at his or her own risk.

### Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Swastika Investmart Limited and our Company dated 30<sup>th</sup>, August, 2018 and the Underwriting Agreement dated 30<sup>th</sup>, August, 2018 entered into between the Underwriters Swastika Investmart Limited, and our Company and the Market Making Agreement dated 30<sup>th</sup>, August, 2018 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, 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 and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

### Note:

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager 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 the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

### Price Information And The Track Record Of The Past Issues Handled By The Lead Manager

For details regarding the price information and track record of the past issue handled by Swastika Investmart Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer "Annexure – A" to this Draft Prospectus and the website of Lead Manager at [www.swastika.co.in](http://www.swastika.co.in). Track Record of the public issues managed by Lead manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI; please see the website of Lead manager i.e. [www.swastika.co.in](http://www.swastika.co.in).

### 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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian

mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Indore 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, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the BSE – SME Platform**

As required, a copy of the Draft Prospectus was submitted to BSE. Post scrutiny of this Draft Prospectus, the Disclaimer Clause as intimated by BSE to us shall be included in the Prospectus prior to the RoC filing.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act, 1933**

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 of 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 (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any offshore 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 of Draft Prospectus with the Board and the Registrar of Companies**

A copy of Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(O)(1). However, a copy of the Prospectus shall be filed with SEBI at Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013, will be delivered to the RoC Gwalior situated at: 3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior, Phone: 0751-2321907, Fax: 0751-2331853.

#### **Listing**

Our company has obtained in-principle listing approval dated [●] to use name of BSE-SME Platform in this offer document for listing of equity shares on BSE SME Platform.

Application is being made to the BSE SME Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE SME Platform is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE SME Platform, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within Eight days after our Company becomes liable to repay it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE-SME Platform mentioned above are taken within Six Working Days from the Issue Closing Date.

## **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 for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013, includes 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.

## **Consents**

The written consents of Directors, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Bankers’ to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Registrar to the Issue, Underwriters and Market Makers to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC. – NOTED FOR COMPLIANCE

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 1) M/s.Baheti & Co., Chartered Accountants have provided their written consent to the inclusion of their report dated 20<sup>th</sup>, August, 2018 regarding restated financial statements; 2) M/s. Spark & Associates, Chartered Accountants have provided their written consent for the inclusion of Statement of Tax Benefits dated July, 21<sup>st</sup>, 2018 as applicable and 3) M/s. Spark & Associates, Chartered Accountants have provided their written consent for the inclusion of extract of

Certificate on Source of Capital Contribution, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein.

## **Expert Opinion**

Except for (a) Peer Review Auditors reports on the restated financial statements by M/s.Baheti & Co., Chartered Accountants, (b) Statement of Tax Benefits by the statutory auditors, M/s. Spark & Associates, Chartered Accountants (copies of the said report and statement of tax benefits has been included in the Draft Prospectus), we have not obtained any other expert opinions.

## **Public Issue Expenses**

The Management estimates an expense of Rs. 50.00 Lakh towards issue expense. The Issue related expenses include, among others, lead management, market making, underwriting, SCSB’s commission/fees, selling commissions, printing, distribution and

stationery expenses, advertising and marketing expenses, and other expenses including registrar, depository, listing and legal fees. All expenses with respect to the Issue will be borne by the Company. The estimated Issue expenses are as follows:

(Rs. In Lakh)

S. No.	Particulars	Amount
1.	Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses.	35.00
2.	Printing & Stationery and Postage Expenses	5.00
3.	Marketing and Advertisement Expenses	5.00
4.	Regulatory fees and other expenses	5.00
	<b>Total</b>	<b>50.00</b>

#### **Fees Payable to Lead Manager to the Issue**

The total fees payable to the Lead Manager (underwriting Commission and Selling Commission and reimbursement of their out of pocket expenses) will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated 04<sup>th</sup> September, 2018. 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 refund orders or Allotment advice by registered post/speed post.

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **Underwriting commission, brokerage and selling commission**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **Commission payable to SCSBs**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of Rs. 10/- per ASBA Application Form processed by them.

#### **Previous issues of Equity Shares otherwise than for cash**

We have not made issue of equity shares for consideration otherwise than for cash since incorporation.

#### **Capital issue during the last three years**

Our Company and its Group Company have not made any capital issue during the last three years.

#### **Listed Ventures of Promoters**

There are no listed ventures of our Company as on date of filing of this Draft Prospectus.

#### **Promise vis-a-vis Performance**

Since neither our Company nor our Promoter Group Companies/Entities have made any previous rights or public issues during last 10 years, Promise vis-a-vis Performance is not applicable.

#### **Outstanding debentures or bonds and redeemable preference shares and other instruments**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

#### **Stock Market Data for our Equity Shares**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders), for redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee comprising of Ravindra Kumar Singhwekar – Chairman, Anil Anant Raje – Member, and Amit Anil Raje – Member.

Our Company has also appointed Mr. K.R. Tanuj Reddy, as a Company Secretary and Compliance Officer of our company, for this Issue and he may be contacted in case of any pre-issue or post-issue related problems at the following address:

Mr. K.R. Tanuj Reddy  
Company Secretary and Compliance Officer  
**Aartech Solonics Limited**  
E-2/57, Ashirvad Arera Colony,  
Bhopal MP- 462016  
**Tel No.:-** +91 – 73899 24734  
**Website:** <http://www.aartechsolonics.com/>;  
**E-Mail:** [compliance@artechsolonics.com](mailto:compliance@artechsolonics.com)

#### **Changes in auditors**

Statutory Audit for the financial year 2015 to financial year 2016 has been carried out by Spark & Associates, Chartered Accountant.

The Company has appointed Spark & Associates, Chartered Accountants as statutory auditor of the Company from the conclusion of Annual General Meeting held in the calendar year 2017 till the conclusion of Annual General Meeting to be held in the calendar year 2018.

#### **Capitalization of reserves or profits during last five (5) years**

Our company has not capitalized any reserves or profits during last five (5) years.

#### **Revaluation of assets during the last five (5) years**

Our Company has not revalued its assets during last five years.

## SECTION VIII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, 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 Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015; all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page no. 230 of this Draft Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors and approved by the Shareholders at their discretion 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 and our Articles of Association. Further Interim Dividend (if any, declared) will be approved by the Board of Directors.

#### Face Value and Issue Price

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. 34/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" beginning on page no. 72 of this Draft Prospectus. At any given point of time there shall be only one denomination for the 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 and 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 rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, 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 no. 231 of this Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by BSE SME from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 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 Offer will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.

### **Minimum Number of Allottees**

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 all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Indore.

**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.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility is available vide CDSL Communiqué No.: CDSL/OPS/DP/SYSTM/6250 dated November 17, 2016 and NSDL Circular No.: NSDL/POLICY/2016/0103 dated December 22, 2016, to whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest in respect of Percentage assigned to each nominee at the time of nomination. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, 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 accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest shall stand rescinded upon a sale 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 the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue 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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### Period of Operation of Subscription List of Public Issue

<b>ISSUE OPENS ON</b>	[●]	<b>ISSUE CLOSE ON</b>	[●]
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An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Offer Closing Date	[●]
Finalization of Basis of Allotment with BSE	On or about [●]
Initiation of refunds /unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on BSE	On or about [●]

**The above timetable, other than the Offer Closing Date, is indicative and does not constitute any obligation on our Company. While 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 BSE is taken within six Working Days from the Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Offer Period by our Company.**

#### Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 39(3) and 40 of the Companies Act, 2013.

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 closure of issue.

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

#### Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 4,000 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 BSE-SME Platform.

#### Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **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.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page no. 39 of the Draft 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 no. 230 of this Draft Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Migration to Main Board**

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

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 promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board; or

If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we 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 promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this issue are proposed to be listed on the BSE SME, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME Platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker; please see "General Information Details of the Market Making Arrangements for this Issue" beginning on page no. 34 of this Draft Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital is not more than Rs.10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the BSE SME platform). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of Issue” and “Issue Procedure” on page no. 208 and 214 respectively of this Draft Prospectus.

Public issue of 21,20,000 equity shares of face value of ₹ 10/- each for cash at a price of Rs. 34/- per equity share including a share premium of Rs. 24/- per equity share (the “issue price”) aggregating to Rs. 720.80 Lakh (“the issue”) by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
<b>Number of Equity Shares*</b>	20,12,000 Equity Shares	1,08,000 Equity Shares
<b>Percentage of Issue Size available for Allocation</b>	94.91% of the Issue Size 28.50% of the Post Issue Paid up Capital	5.09% of the Issue Size 1.53% of the Post Issue Paid up Capital
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 4,000 Equity Shares and Further allotment in multiples of 4,000 Equity Shares each. For further details please refer to the section titled “Issue Procedure” “Basis of Allotment” on page no. 214 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.	Through ASBA mode Only.
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000  <b>For Retail Individuals:</b> 4,000 Equity Shares	1,08,000 Equity Shares
<b>Maximum Bid</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Size does not exceed 20,12,000 Equity Shares subject to limit the investor has to adhere under the relevant laws and regulations applicable.  <b>For Retail Individuals:</b> 4,000 Equity Shares so that the Application Value does not exceed Rs. 2,00,000	1,08,000 Equity Shares
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
<b>Trading Lot</b>	4,000 Equity Shares	4,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Terms of payment</b>	Entire Application Amount shall be payable at the time of submission of Application Form.	

\* 50% of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below Rs. 2,00,000 and the balance 50 % of the shares are available for applications whose value is above Rs. 2,00,000.

## Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Indore.

## Issue Programme

**ISSUE OPENS ON**



**ISSUE CLOSE ON**



Applications and any revisions to the same (except that on the Issue closing date) 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. On the Issue Closing Date applications and any revisions to the same 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., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

*All Reference to General Information Documents (“GID”) in this Section shall be referred to the General Information Document to be issued by the Company at the time issue of prospectus and opening of the Issue along with Application Form(s) in terms of Prospectus.*

All Applicants should review the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Documents”) and to be included in the prospectus under section “Part B” “General Information Document”, highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), 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 SEBI Regulations. The General Information Documents will be included in prospectus to include updated reference of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### PART A

#### Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 through a Fixed Price Process.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI.**

#### Availability of Prospectus and Application Forms

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India limited i.e. <https://www.bseindia.com/>. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation Basis	Blue

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.**

### Submission and Acceptance of Application Forms

Applicants are required to their applications only through any of the following Application Collecting Intermediaries:

- An SCSB, with whom the bank account to be blocked, is maintained.
- A syndicate member (or sub-syndicate member).
- 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").
- A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity).
- A registrar to an issuer 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:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may being blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs:</b>	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 Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

### Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, and Registrar to the Issue as mentioned in the application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. <https://www.bseindia.com/>.

### Who can apply?

- Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- 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;

- d. Mutual Funds registered with SEBI;
- e. 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;
- f. 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);
- g. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k. Foreign Venture Capital Investors registered with the SEBI;
- l. 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;
- m. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q. 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;
- r. Insurance funds set up and managed by army, navy or air force of the Union of India;
- s. Multilateral and bilateral development financial institution;
- t. Eligible QFIs;
- u. Insurance funds set up and managed by the Department of Posts, India;
- v. Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated nonresident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or**

**prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

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

#### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

#### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single 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.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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.

The Applications 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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies

are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **As per the current regulations, the following restrictions are applicable for investments by FIIs:**

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Draft Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 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 Regulations shall continue to be regulated by the VCF Regulations.

#### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a) 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;
- b) The entire group of the investee Company: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) The industry sector in which the investee Company operates: the least of 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **Application by Provident Funds / Pension Funds**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores 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 with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore

- a) In addition to the above, certain additional documents are required to be submitted by the following entities: With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft 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 PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### **ASBA Process**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **How to apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said

Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### Maximum and Minimum Application Size

The applications in this Issue, being a fixed price issue, will be categorized into two;

#### a) For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed Rs. 2,00,000.

#### b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs.2,00,000 and in multiples of 4,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.**

### Information for the Applicants:

- a) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- b) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.

### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and with wide circulation.

### Signing of Underwriting Agreement

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on 30<sup>th</sup>, August, 2018.

### Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into 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 on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue
- c) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### Interest and Refunds

### 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 instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### 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 Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basic of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

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 disclosed in the Draft Prospectus.

### 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 been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this offer 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 become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

### Minimum Number of Allottees

The Issuer may ensure that the number of provisions Allottees to whom Equity Shares may be allotted may not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

### Mode of Refund

**In case of ASBA Application:** Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### Mode of making refund for ASBA applicants

In case of ASBA Application, the registrar of 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 applications or in the event of withdrawal or failure of the Issue.

### Interest in case of Delay in Allotment or Refund:

The Issuer may pay interest at the Rate of 15% per annum to Applicants if the funds are not unblocked within the 6 Working days of the Issue Closing Date.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

### GENERAL INSTRUCTIONS

#### Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants should submit their application through ASBA process only.

#### Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form.
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

#### Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of National Stock Exchange of India Limited i.e. <https://www.bseindia.com/>.

#### Applicant's Depository Account and Bank Details

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ("Demographic Details"). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### OTHER INSTRUCTIONS

##### Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favor of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### Multiple Applications

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
2. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
3. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

### **Right To Reject Applications**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds For Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 4,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

#### **Equity Shares In Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated 04<sup>th</sup>, June, 2018 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated 04<sup>th</sup>, March, 2018 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE01C001018

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading "Applicants Depository Account Details" in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.

- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

## Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors 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.**

## Disposal of applications and application moneys and interest in case of delay

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares. The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## Impersonation

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) “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
- 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 of Companies Act, 2013 and shall be treated as Fraud.

## Section 447 of the Companies Act, 2013, is reproduced as below:

*“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”*

## Basis Of Allotment

Allotment will be made in consultation with BSE SME Platform (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. 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 over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful 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).
3. For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:

- a) Each successful applicant shall be allotted 4,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal 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 (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.
  5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
  6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
    - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
    - b) The balance net offer of shares to the public shall be made available for allotment to
      - i. Individual applicants other than retails individual investors and
      - ii. other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
    - c) The unsubscribed portion of the net to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “Basis of Allotment” beginning on page no. 227 of this Draft Prospectus.

”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 the SME Platform of BSE.

#### **Basis of Allotment in the event of under subscription**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page no. 213 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of BSE – the Designated Stock Exchange in addition to 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, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to nonresident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

### **Utilization of Issue Proceeds**

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **PART B**

### **GENERAL INFORMATION DOCUMENT**

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## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular of 2015, with effect from May 12, 2015 ("Circular of 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

**SECTION IX –  
DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION  
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Title of Articles	Article Number	Content
<b>CONSTITUTION OF THE COMPANY</b>	I.	The Regulations contained in Table ‘F’ in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.
<b>INTERPRETATION CLAUSE</b>	II.	<ol style="list-style-type: none"> <li>1. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context, In this regulation /articles-               <ol style="list-style-type: none"> <li>a. ‘The Act’ mean ‘The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.’</li> <li>b. ‘The Seal’ means the common seal of the Company.</li> </ol> </li> <li>2. Unless the context otherwise requires, word or expression contained in these regulations/articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations / articles become binding on the Company.</li> </ol>
<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>	III.	<ol style="list-style-type: none"> <li>1. 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 Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.</li> <li>2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—               <ol style="list-style-type: none"> <li>(a) one certificate for all his shares without payment of any charges; or</li> <li>(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</li> </ol>               (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.                (iii) 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.             </li> <li>3. (i) 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 company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.                (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</li> <li>4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in anyway to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</li> <li>5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, 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 that section and rules made there under.</li> </ol>

Title of Articles	Article Number	Content
		<p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>(iii) 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.</p> <p>6. (i) 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 section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p> <p>7. 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 therewith.</p> <p>8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.</p>
LIEN	IV.	<p>9. (i) The company shall have a first and paramount lien—</p> <p>(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</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p>10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(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 the person entitled thereto by reason of his death or insolvency.</p> <p>11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(iii) 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 in reference to the sale.</p> <p>12. (i) 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.</p> <p>(ii) 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.</p>

Title of Articles	Article Number	Content
<b>CALLS ON SHARES</b>	V.	<p>13. (i) 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 byway of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(ii) 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.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p> <p>14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.</p> <p>15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p> <p>16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> <p>17. (i) 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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.</p> <p>18. The Board—</p> <p>(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</p> <p>(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 not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
<b>TRANSFER OF SHARES</b>	VI.	<p>19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(ii) 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.</p> <p>20. The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p> <p>21. The Board may decline to recognise any instrument of transfer unless—</p> <p>(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>(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 transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p> <p>22. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at</p>

Title of Articles	Article Number	Content
		such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
<b>TRANSMISSION OF SHARES</b>	VII.	<p>23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. (ii) Nothing in clause (i) 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.</p> <p>24. (i) 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 in solvent member could have made. (ii) 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.</p> <p>25. (i) 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. (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (iii) 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.</p> <p>26. 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.</p> <p>27. In case of a One Person Company— (i) on the death of the sole member, the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member; (ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company; (iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable; (iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.</p>
<b>FORFEITURE OF SHARES</b>	VIII.	<p>28. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p> <p>29. The notice aforesaid shall—</p>

Title of Articles	Article Number	Content
		<p>(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</p> <p>(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.</p> <p>30. If the requirements of any such notice as aforesaid 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.</p> <p>31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> <p>32. (i) 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 to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. (ii) 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.</p> <p>33. (i) 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; (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; and (iv) 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 or disposal of the share.</p> <p>34. The provisions of these regulations 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.</p>
<b>ALTERATION OF CAPITAL</b>	IX.	<p>35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in there solution.</p> <p>36. Subject to the provisions of section 61, the company may, by ordinary resolution,— (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) 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.</p> <p>37. 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 regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p>

Title of Articles	Article Number	Content
		<p>(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.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p> <p>38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p>
<b>CAPITALISATION OF PROFITS</b>	X.	<p>39. (i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p> <p>40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, 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 capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>
<b>BUY-BACK OF SHARE</b>	XI.	41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other

Title of Articles	Article Number	Content
		law for the time being in force, the company may purchase its own shares or other specified securities.
<b>GENERAL MEETING</b>	XII.	<p>42. All general meetings other than annual general meeting shall be called extraordinary general meeting.</p> <p>43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.  (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>
<b>PROCEEDING AT GENERAL MEETING</b>	XIII.	<p>44. (i) 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.</p> <p>45. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p> <p>46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.</p> <p>47. 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.</p> <p>48. 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 choose one of their members to be Chairperson of the meeting.</p>
<b>ADJOURNMENT OF MEETING</b>	XIV.	<p>49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.  (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  (iii) 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.  (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>VOTING RIGHTS</b>	XV.	<p>50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—  (a) on a show of hands, every member present in person shall have one vote; and  (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> <p>51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.</p> <p>52. (i) 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.  (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> <p>53. 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.</p> <p>54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.</p> <p>55. 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.</p> <p>56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  (ii) Any such objection made in due time shall be referred to the Chairperson of</p>

Title of Articles	Article Number	Content
<b>PROXY</b>	XVI.	<p>the meeting, whose decision shall be final and conclusive.</p> <p>57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.</p> <p>58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.</p> <p>59. 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 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.</p>
<b>BOARD OF DIRECTORS</b>	XVII.	<p>60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.</p> <p>61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) 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 thereof or general meetings of the company; or (b) in connection with the business of the company.</p> <p>62. The Board may pay all expenses incurred in getting up and registering the company.</p> <p>63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>64. 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 may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p> <p>65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.</p> <p>66. (i) Subject to the provisions of section 149, 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. (ii) 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. (iii) Subject to the provisions of the Companies Act, 2013, the Board shall have power to receive money on deposit or loan, borrow or raise money in such manner as the company shall think fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company (both present and future), including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company, or any other persons or company or any obligations undertaken by the company or any other person or company as the case may be, but the company shall not carry on Banking Business.</p>

Title of Articles	Article Number	Content
		(vi) The Board may, from time to time, subject to the provisions of Sec 185 and section 186, make loan to <i>its wholly owned subsidiary companies</i> or provide any guarantee or security, in respect of any loan made to its wholly owned subsidiary companies
<b>PROCEEDINGS OF THE BOARD</b>	XVIII.	<p>67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> <p>68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p> <p>69. 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.</p> <p>70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p> <p>71. (i) 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.  (ii) 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.</p> <p>72. (i) A committee may elect a Chairperson of its meetings.  (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p> <p>73. (i) A committee may meet and adjourn as it thinks fit.  (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p> <p>74. 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, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.</p> <p>75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all 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.</p>
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIALS OFFICER</b>	XIX.	<p>76. Subject to the provisions of the Act,—  (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;  (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>77. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary</p>

Title of Articles	Article Number	Content
		or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
<b>THE SEAL</b>	XX.	78. (i) The Board shall provide for the safe custody of the seal. (ii) 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 two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
<b>DIVIDEND AND RESERVE</b>	XXI.	79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. 80. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. 81. (i) 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 applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. 82. (i) 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. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (iii) 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. 83. 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. 84. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. 85. Any one 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. 86. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. 87. No dividend shall bear interest against the company.
<b>ACCOUNTS</b>	XXII.	88. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. (ii) No member (not being a director) shall have any right of inspecting any

Title of Articles	Article Number	Content
		account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
<b>WINDING UP</b>	XXIII.	<p>89. Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
<b>INDEMNITY</b>	XXIV.	<p>90. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p>

## SECTION X – 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 the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the 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 E-2/57, Ashirvad, Arera Colony, Bhopal MP- 462016, from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts:

1. Memorandum of understanding dated 30<sup>th</sup>, August, 2018 between our Company and the Lead Manager.
2. Agreement dated September, 04<sup>th</sup>, 2018 between our Company and the Registrar to the Issue Bigshares Services Private Limited.
3. Underwriting Agreement dated 30<sup>th</sup>, August, 2018 between our Company, the Lead Manager, and Underwriter.
4. Market Making Agreement dated 30<sup>th</sup>, August, 2018 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated 04<sup>th</sup>, June, 2018.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated 04<sup>th</sup>, March, 2018.
7. Banker's to the Issue Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

#### Material Documents:

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board Resolution dated December 27, 2017 and Special Resolution passed pursuant to Section 62(1) (C) of the Companies Act, 2013 at the EoGM by the shareholders of our Company held on February, 07<sup>th</sup>, 2018.
3. Statement of Tax Benefits dated 21<sup>st</sup>, July, 2018 issued by our Statutory Auditors; by M/S Spark & Associates, Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor, Baheti & Company, Chartered Accountants dated 20<sup>th</sup>, August, 2018 included in the Draft Prospectus.
5. Copy of Certificate from M/S Spark and Assosciactes, Chartered Accountant - dated 05<sup>th</sup>, Septmebr, 2018, regarding the source and deployment of funds as up to 05<sup>th</sup>, Septmber, 2018.
6. Copies of Annual reports of the Company for the years ended on March 31<sup>st</sup>, 2018, 2017, 2016, 2015, and 2014.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer review Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker to include their names in the Draft Prospectus to act in their respective capacities.
8. Board Resolution dated 10<sup>th</sup>, September, 2018 for approval of Draft Prospectus, dated [●] for approval of Prospectus.
9. Due Diligence Certificate from Lead Manager dated 03<sup>rd</sup>, September, 2018 filed with BSE and dated 03<sup>rd</sup>, September, 2018 filed with SEBI.
10. Copy of Approval dated [●] from the SME Platform of BSE Limited.

Any of the contracts or documents mentioned in the Draft 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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**SECTION XI**

**DECLARATION**

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

**Signed by the Directors of the Company:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Mr. Anil Anant Raje	Chairman and Managing Director	---- sd ---
Mr. Amit Anil Raje	Whole time Director	---- sd ----
Mr. Poonam Jaideep Mulherkar	Non-Executive Director	---- sd ----
Mr. Prashant Dattatray Lowlekar	Independent Director	---- sd ----
Mr. Raviendra Kumar Shingwekar	Independent Director	---- sd ----

Signed by:

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Mrs. Arati Nath	Chief Financial Officer	---- sd ----
Mr. K.R. Tanuj Reddy	Company Secretary & Compliance Officer	---- sd ----

**Place:** Bhopal

**Date:** 10<sup>th</sup>, September, 2018