



**Prospectus**  
Dated: September 6, 2018  
Please read Section 32 of the Companies Act, 2013  
**Fixed Price Issue**

## SPECTRUM ELECTRICAL INDUSTRIES LIMITED

Corporate Identity Number: U28100MH2008PLC185764

Our Company was originally incorporated as Spectrum Polytech Private Limited under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on August 12, 2008. Pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on February 18, 2014, name of our Company was changed to Spectrum Electrical Component Private Limited and a fresh Certificate of Incorporation dated March 11, 2014 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name was later changed to Spectrum Electrical Industries Pvt. Ltd. on June 14, 2018. The Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018 and the name of our Company was changed to Spectrum Electrical Industries Limited vide a fresh Certificate of Incorporation dated June 20, 2018. For further details about our Company, please see section titled "History and Certain Other Corporate Information" on page 138 of this Prospectus.

### Registered Office & Corporate Office

Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon- 425 003, Maharashtra; Tel : 0257 2210 192; website: [www.spectrum-india.com](http://www.spectrum-india.com);

Contact Person: Ms. Sarita Zamwar, Company Secretary & Compliance Officer; e-mail :[sarita.zamwar@spectrum-india.com](mailto:sarita.zamwar@spectrum-india.com);

### Promoter of Our Company: Mr. Deepak Chaudhari

#### THE ISSUE

PUBLIC ISSUE OF 39,80,000 EQUITY SHARES OF Rs. 10/- EACH OF SPECTRUM ELECTRICAL INDUSTRIES LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs.65/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO Rs. 2,587.00 LACS ("THE ISSUE"), OF WHICH, 2,00,000 EQUITY SHARES OF Rs 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 37,80,000 EQUITY SHARES OF Rs. 10/- EACH FOR CASH AT A PRICE OF RS. 65/- PER SHARE AGGREGATING TO RS. 2,457 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.32% AND 25.00%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME ("SEBI ICDR REGULATIONS"). THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI ICDR REGULATIONS. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" ON PAGE 241 OF THIS PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10/- EACH AND THE ISSUE PRICE IS 6.5 TIMES THE FACE VALUE

#### RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 6.5 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter "Basis For Issue Price" beginning on page 77 of this 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 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 Securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 12 of this Prospectus

#### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (NSE) i.e. NSE EMERGE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated August 31, 2018 from NSE for using its name in this offer document for listing of our shares on NSE EMERGE. For the purpose of this Issue, the designated Stock Exchange will be NSE EMERGE.

#### LEAD MANAGER TO THE ISSUE

**Arihant Capital Markets Limited**  
SEBI Registration No: INM000011070  
1011, Solitaire Corporate Park, 1<sup>st</sup> floor  
Guru Hargovindji Road, Chakala,  
Andheri (East), Mumbai - 400 093  
Tel. :022-42254800; Fax. :022- 42254880  
Website: [www.arihantcapital.com](http://www.arihantcapital.com)  
Email:[mbd@arihantcapital.com](mailto:mbd@arihantcapital.com)  
**Contact Persons:** Mr. Amol Kshirsagar/  
Mr. Ankur Sharma

#### REGISTRAR TO THE ISSUE

**Bigshare Services Private Limited**  
SEBI Registration No: INR000001383  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant  
Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai 400 059  
Tel: 022-6263 8200; Fax: 022-6263 8299  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
E-Mail: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Contact Person :** Mr. Ashok Shetty

#### ISSUE PROGRAMME

**ISSUE OPENS ON : SEPTEMBER 17, 2018**

**ISSUE CLOSES ON: SEPTEMBER 21, 2018**

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## SECTION I - GENERAL

## DEFINITIONS AND ABBREVIATIONS

## COMPANY RELATED/GENERAL/CONVENTIONAL TERMS

TERMS	DESCRIPTION
"We", "us", "our", "the Issuer", "the Company", "our Company", "Spectrum"	Unless the context otherwise requires, refers to Spectrum Electrical Industries Limited, a public limited company, originally incorporated as "Spectrum Polytech Pvt. Ltd." under the provisions of the Companies Act, 1956
ABB Limited	ABB India Limited
Anchor- Panasonic	Anchor Electricals Pvt. Ltd.
AOA/ Articles / Articles of Association	Articles of Association of our Company
Auditors	M/s. S. D. Chopde & Company, Chartered Accountants, the statutory Auditors of our Company
Banker to our Company	Axis Bank Limited
Banker to the Issue	ICICI Bank Limited
Board / Board of Directors/ Director(s)	The Board of Directors of our Company including duly constituted committee authorized to act on their behalf
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and the Companies Act, 1956, to the extent applicable
Company Secretary & Compliance Officer	Ms. Sarita Zamwar
Corporate Office	Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon - 425003 Maharashtra;
Key Managerial Personnel/ KMP / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 146 of this Prospectus.
MOA	Memorandum of Association of our Company.
Morarjee Dorman	Morarjee Dorman Smith Pvt. Ltd.
Peer Reviewed Auditor	M/s. HMA & Associates, Chartered Accountants
Promoter	Mr. Deepak Chaudhari
Promoter Group	Unless the context otherwise requires, refers to such persons and entities which constitute the promoter group of our Company and a list of which is provided in the chapter titled "Our Promoter and Promoter Group" on page 163 of this Prospectus.
Registered Office of our Company	Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon - 425003 Maharashtra;
ROC / RoC	Registrar of Companies, Maharashtra, Mumbai

## ISSUE RELATED TERMS

TERMS	DESCRIPTION
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application Form
Allottee	A successful applicant to whom the Equity Shares are being/ have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company

TERMS	DESCRIPTION
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with Self Certified Syndicate Bank (SCSB) which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Applicant(s)	Any prospective investor(s)/applicants(s) in this Issue who applies through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure" on page 241 of the Prospectus
Business Day	Any day on which commercial banks in Mumbai are open for the business.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, being NSDL and CDSL
Designated Intermediary(ies)	SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated Stock Exchange	SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE
DP ID	Depository Participant's Identity
ECS	Electronic Clearing Service
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof
GoI/ Government	Government of India
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering	Public issue of 39,80,000 Equity Shares of Rs. 10/- each of Spectrum Electrical Industries Limited for cash at a price of Rs. 65 /- per share, aggregating to Rs. 2,587.00 Lacs
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
IPO	Initial Public Offering
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs.65/- per Equity Share
Lead Manager / LM	Lead Manager to the Issue being Arihant Capital Markets Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of NSE
Market Maker	Market Maker means Arihant Capital Markets Limited, the market maker appointed for the purpose of this Issue
Market Maker Reservation Portion	The Reserved portion of 2,00,000 Equity shares of Rs. 10/- each at Rs. 65 /- per Equity Share aggregating to Rs. 130 lacs for Market Maker in the Initial Public Issue of our Company
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 37,80,000 Equity Shares of Rs.10/- each at a price Rs. 65 /- per Equity Share aggregating to Rs. 2,457.00 Lacs, of our Company

TERMS	DESCRIPTION
NSE / NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI ICDR Regulations.
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	A Company, Partnership, Society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus of our Company, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Registrar/ Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Investor(s)	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/-
Self Certified Syndicate Banks or SCSBs	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/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Listing Regulations, 2015/SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications, issued by SEBI from time to time.
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (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 Takeover) Regulations, 2011, as amended
Underwriter	Arihant Capital Markets Limited
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company entered on September 5, 2018
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday

## ABBREVIATIONS

TERMS	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y./AY	Assessment Year
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
B.G. /LC	Bank Guarantee/ Letter of Credit
CIN	Company Identification Number
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India.
FPI	Foreign Portfolio Investor as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
M&A	Merger & Acquisition
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
NSE/NSEIL	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RFID	Radio-frequency Identification
RoC/ Registrar of Companies	The Registrar of Companies, Maharashtra, Mumbai
RONW	Return on Net Worth.
SEBI	Securities & Exchange Board of India
SME	Small And Medium Enterprises
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America



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

Unless stated otherwise, the financial data in this Prospectus is extracted from the restated financial statements of our Company for financial years ended March 2014, 2015, 2016, 2017 and 2018 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Peer Reviewed Auditors and set out in the section titled "Restated Financial Information" on page 170. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our financial years commence on April 1 and end on March 31. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited.

### **CURRENCY OF PRESENTATION**

All references to "Rupees" or "Rs." or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America.

In this Prospectus, throughout all figures have been expressed in Lacs. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

### **INDUSTRY & MARKETDATA**

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from internal Company reports, Government data and information obtained from other secondary sources. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 4 of this Prospectus.



## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions 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 expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Our ability of attract and retain qualified personnel;
- Potential mergers, acquisitions, restructurings and increased competition;
- Our failure to keep pace with rapid changes in technology;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- The occurrence of natural disasters or calamities.
- Change in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 12 of this Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the

Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, the FDI Policy, FEMA and circulars and notifications issued thereunder. FEMA regulates the manner in which foreign investment may be made. The consolidated FDI policy circular of 2017, dated August 28, 2017 issued by the DIPP (“**FDI Policy**”) consolidates the policy framework which was in force as on August 28, 2017. Further, the FDI Policy consolidates, subsumes and supersedes all the press notes, press releases, and clarifications on FDI issued by DIPP. As per the FDI Policy the cap for foreign investment in a financial services company regulated by a sectoral regulator (in our case, being SEBI), is 100% under the automatic route. However, downstream investments by a resident entity which is ‘foreign-owned and controlled’ within the meaning of the FDI Policy are treated as foreign investment for the purposes of the FDI Policy.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the Government of India or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB and accordingly, the process for FDI and its approval from the Government of India will now be handled by the relevant ministries or departments, in consultation with the DIPP.

As per existing regulations, OCBs cannot participate in the Offer.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, 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 U.S. Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons in each case that are both “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”) and referred to in this Prospectus as “U.S. QIBs” and for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also “qualified purchasers” (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

The above information is given for the benefit of the Bidders. Our Company, the Promoter and the LM are not liable for any amendments, 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.

## RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and purchaser of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the other countries.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Business Overview” on page 106 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 170 respectively, of this Prospectus as well as other financial information contained herein. Additionally, our business operations could also be affected by additional factors which are not presently known to us or which we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial conditions. 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 have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors.*

*Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, see the chapter titled “Definitions and Abbreviations” on page 4 of this Prospectus.*

**1. *We have experienced negative cash flows in prior periods and any negative cash flows in the future could adversely affect our results of operation and financial condition.***

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. The details of our cash flow for the past 5 financial years are as under:

Rs. Lakhs

Particulars	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Net cash from/(used in) Operating Activities	(130.88)	892.91	(188.76)	64.23	(63.32)
Net cash from/(used in) Investing Activities	(3,539.76)	(1,010.85)	(530.48)	(482.68)	0.00
Net cash from/(used in) Financing Activities	3,989.51	199.18	819.55	387.83	94.28
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>318.87</b>	<b>81.24</b>	<b>100.31</b>	<b>(30.62)</b>	<b>30.96</b>

2. *We are highly dependent on certain key customers for a substantial portion of our revenues. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.*

We depend on certain customers who have contributed to a substantial portion of our total revenues. In the aggregate, our top five customers accounted for 80% of our revenue from operations (net) for the financial year ended March 31, 2018. There is no assurance that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Our reliance on a limited number of customers for our business may generally involve several risks. These risks may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers; failure to renew sales contracts with one or more of our significant customers; failure to renegotiate favourable terms with our key customers; the loss of these customers; all of which would have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company. In order to retain some of our existing customers we may also be required to offer terms to such customers which may place restraints on our resources.

Maintaining strong relationships with our key customers is, therefore, essential to our business strategy and to the growth of our business. Some of these customers have been associated for more than 5 years with us through our group entities whose businesses are now integrated into our Company through a Scheme of Arrangement. Additionally, the loss of any key customer, may significantly affect our revenues, and we may have difficulty securing comparable levels of business from other customers to offset any such loss of revenue. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner.

In addition, we generate account receivables in connection with providing manufacturing services to our key customers. If one or more of our customers were to become insolvent or otherwise unable to pay for the products supplied by us, this could have a have an impact on our business as we may not be able to recoup the unpaid production costs and materials incurred for manufacturing purposes.

Our profitability also depends on the performance and business of our key customers. We rely on the success of our customers in marketing and selling of products and therefore any negative impact on their reputation may also have an effect on our business. Accordingly, risks that could seriously harm our key customers could harm us as well, including:

- reduced pace of industrialization which could affect demand for project supplies;
  - reduced consumer spending on discretionary items in our customers' key markets;
  - recession in countries in which our key customers' operate their businesses;
  - loss of market share of our key customers' products which are manufactured by us;
  - failure of our key customers' products to gain widespread commercial acceptance;
  - our key customers' inability to effectively manage their operations or also seeing a change in their management or constitution which may render us not being a preferred choice for manufacturing products for them; and
  - changes in laws affecting our customers to operate profitably.
3. *We do not obtain firm and long-term volume purchase commitments from our customers. If our customers choose not to renew their agreements with us or continue to place orders with us, our business and results of operations will be adversely affected.*

We enter into agreements with our customers for specific products, which are generally valid for one to three years and are renewed on a regular basis if both the parties decide to do so. These agreements include general terms of sale, specification requirements and pricing policy, but such agreements do not obligate our customers to place an order with us. Actual orders are based on purchase orders issued by our customers from time to time. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules. Based on these agreements, our customers provide us with forecasts of the expected demand for certain months and eventually place orders. The precise terms for each shipment, such as pricing and quantities, are also confirmed at the time each order is placed. Notwithstanding the contractual arrangement with our customers, there is no assurance of generating revenues in the future as our customers are not under any obligations to outsource their manufacturing requirements to us. Accordingly, we are not in a position to predict the extent of revenues that we can generate for each of the products manufactured by us in the future. The short-term nature of our customers' commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, could make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than- expected size or may even cancel existing orders (including where deliveries were to be made in the future) or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Although our customers might be contractually obligated to purchase products on specific terms from us for particular orders placed with us owing to the current contractual arrangements, we may be unable to or may choose not to enforce our contractual rights if our customers choose to cancel existing or change or even terminate their orders with us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume. Lower utilization of our manufacturing facilities, could also result in our realizing lower margins as we may not be able to undertake manufacturing in large numbers which is critical to our business. Consequently, there is no commitment on the part of the customer to continue to place new work orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' preferences.



In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, component procurement commitments, personnel requirements and other resource requirements, based on our estimates of customer orders. The short-term nature of our customers' commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also require us to make certain changes in our manufacturing processes thereby affecting our production schedules.

4. *The markets in which our customers compete are characterized by consumers and their rapidly changing preferences, advancement in technology and other related factors including lower manufacturing costs and therefore as a result our Company may be affected by any disruptions in the industry.*

We are engaged in design, manufacture and supply of electrical, automobile and irrigation components to our clients as contract manufacturers and as component suppliers to leading industry players on Business-to-Business (B2B) model. The markets in which our customers and we operate are characterized by rapidly changing technology, evolving industry standards and continuous improvements in products and services. These conditions frequently result in short product life cycles. Some of the customers for whom we manufacture products for may also chose not to continue operations in India for many reasons which can also include customer preferences, among others.

If the end-user demand is low for our customers' products, companies for whom we manufacture products may see significant changes in orders from customers and may experience greater pricing pressures. Therefore, risks that could harm the customers of our industry could, as a result, adversely affect our Company as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products. If technologies or standards supported by our customers become obsolete or fail to gain widespread commercial acceptance, our customers may experience a reduced demand for their products which may affect our sales, a decline in sales and in operating margins depending on the nature of the product and the end user demand and all of these combined may gradually result in a loss of customers including key ones. We are attempting to reduce the risks inherent in relying on a small number of products by developing and manufacturing new products in the verticals in which we operate and to keep pace with the rapidly emerging technological changes taking place. However, there can be no assurance that we will be successful in development and manufacture of new products as planned and our failure in this regard can have a material adverse effect on our financial condition, results of operations and prospects.

Additionally, industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may choose to import some of these products which provide them better cost benefits as compared to us or source the products from our competitors. This price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to reduced revenues, lower profit margins



or loss of market share etc, any of which would have a material adverse effect on our business, financial condition and results of operations.

5. *Our business and results of operations are dependent on the contracts that we enter into. Any breach of the conditions under these contracts may adversely affect our business and results of operations.*

We enter into contracts with our customers which, depending on the customer, may contain terms and conditions which include among others the nature and specification of products to be manufactured and supplied by us, details of vendors of raw materials that are approved by some of our customers, manner of inspection and testing of products manufactured, representation and warranties made by us in relation to our manufacturing capabilities, process to be followed in case of defects, steps to ensure compliance with applicable laws, quality of products, undertakings in relation to protection of intellectual property of our customers, indemnification of our customers due to our negligence or breach of any term of the agreement, defect warranties in relation to the products manufactured or assembled by us.

While, we consider all factors internally prior to entering into such contractual agreements, we cannot assure that we will not enter into such agreements in the future. Additionally, non-compliance with the terms of the contractual arrangements may lead to damages or penalties, termination of the agreements and may also result in our being unable to attract further business from such customers in the future. If we decide not to enter into agreements with onerous conditions, we may lose potential customers.

We have not been subjected to any penalties or damages on account of breach of contracts with our customers till date.

6. *Our continued success is substantially dependent on the services of our Promoter and certain key management personnel, the loss of whom could adversely affect our business*

Our Promoter, Mr. Deepak Chaudhari, has been instrumental in setting up, stabilising and growing the business of our Company over the last two decades. His knowledge, experience and business acumen is a significant factor for our continued growth, expansion in our product range and for our future business strategies. We also depend on our senior management, Directors and other key personnel for our continued success and our inability to retain any key managerial personnel may have an adverse effect on our operations.

Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers, designers, and corporate management professionals who have the

required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our services because of our inability to successfully hire and retain qualified personnel. For every new product we expand into, we require suitably skilled personnel.

Such skilled personnel may also not be easily available in the market. In addition, as some of our key personnel approach retirement age, we need to have appropriate succession plans in place and to successfully implement such plans. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

**7. Shortages in, or rises in the prices of, raw materials or components for products we manufacture, which account for majority of our costs, may adversely affect our business.**

Our production depends on obtaining adequate supplies of input components and raw materials on a timely basis. We procure the raw materials for our business from local suppliers as well from overseas supplies. For example, we procure plastic parts, packaging from local suppliers and plastic raw materials from suppliers who are located in China, Singapore and Germany.

The percentage contribution of domestic and foreign suppliers towards the purchases made by our Company for the financial year ending March 31, 2018 is set out below:

Particular	March 31, 2018
Domestic Supply – Raw Materials	98.04%
Import – Raw Materials	1.06%

We do not typically maintain large inventories of raw materials, rather we purchase them within shorter periods from various approved third-party component manufacturers that satisfy our quality standards and meet our volume requirements. Due to short term nature of contracts of raw materials and supplies, the prevailing raw material cost is factored in our pricing to the customers. As the production-cycle is small (2-7 days), the procured raw material is processed to finished good and is supplied to the customer. As a result, we hold negligible inventory that is not backed by any firm order. Also, by and large, our terms with our customers stipulate that any currency fluctuation in respect of imported raw materials would be borne by the customers. Notwithstanding this, we cannot assure that our inventory maintenance will continue to be so insulated from any price or currency rate fluctuations in future.

Given the variety of products that we manufacture and with the number of our suppliers dispersed across the country and outside; delays in the delivery of certain of these components could result in delays in planning production. Further, our failure to manage inventory levels efficiently could have an adverse effect on us, including the possibility of not being able to detect defective parts, or resulting in an increase in input component costs, reduced control over delivery schedules, and shortages of input components.

Further, under our OEM business model, the raw material specifications are given by the customers and, in some cases, the suppliers from whom the raw materials are to be purchased are also

identified by the customers. Any volatility in prices of such raw materials does not affect our profitability as the contract with the customer states these parameters, on the basis of which the raw material cost is a pass-through item for us. The conversion cost is agreed upon prior to placing of orders as the cost sheet is shared with the customers. Conversion cost is the entire value-add provided by us for converting the raw material into finished goods till the final dispatch to the customer.

However, we are exposed to the risk of being unable to procure on timely basis, necessary raw materials and components for our manufacturing operations. At various times, supplies of some of the raw materials and electronic components that we use, have been scarce because of strong demand for those input components or problems experienced by suppliers. We may face similar situations or shortages in the future too. In addition, in certain circumstances, we are required to source certain key components from suppliers on approved vendor lists of our customers and we may not be able to obtain alternative sources of supply should such qualified suppliers be unable to supply our requirements in the future.

Shortages of raw materials and components at prices favourable to us could result in reduced production or delays in production, which may restrict our capacity to fulfil large orders at short notice or prevent us from making scheduled shipments to customers. Any future inability to accept high volume orders at short notice or make scheduled shipments could cause us to experience a reduction in our sales and could adversely affect our relationship with existing customers as well as prospective customers.

8. *We may be subject to financial and reputational risks due to product quality and liability issues which may have an adverse effect on our business, financial condition and results of our operations.*

In the event that we and our component suppliers are not able to meet the regulatory quality standards, or strict quality standards imposed by our customers or which are applicable to us in our manufacturing processes, it could have an adverse effect on our business, financial condition, and results of operations. The contracts we enter into with our customers typically include warranties that the products we deliver will be free from defects caused by our manufacturing process and will perform in accordance with specifications agreed with the customers. To the extent that products shipped by us to our customers do not, or are not deemed to, satisfy such warranties, we could be responsible for replacing any defective products, or, in certain circumstances, for the cost of effecting a recall of all products which might contain a similar defect, as well as for consequential damages for which currently we do not have insurance cover. Moreover, we are still subject to claims from our customers if end products sold by our customers fail to perform or cause injury, death or damage if problems in the products are attributable to defects in our manufacturing process. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

9. *Our manufacturing facilities are critical to our business. Any disruption in the continuous operations of our manufacturing facilities would have a material adverse effect on our business, results of operations and financial condition.*

We have multiple manufacturing facilities located at Jalgaon and Nashik in Maharashtra State. Our products go through various manufacturing stages at these plants. Major portion of our revenue is derived presently from products manufactured at these manufacturing facilities; therefore, disruption to any of our manufacturing facilities may result in production slowdown/shutdown. These facilities are subject to certain operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents or the need to comply with any new directives of government or regulatory authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business.

Further, our electricity requirements for our manufacturing facilities are directly sourced from local utilities. While we maintain power back-up in the form of diesel generator sets, we cannot assure you that we will be able to prevent disruptions in our manufacturing processes in case of non-availability or inadequacy of power.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute or unrest, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

***10. Our funding requirements and deployment of the proceeds of the Issue are based on management estimates and have not been independently appraised.***

We intend to use the proceeds of the Issue for purposes described in the section “Objects of the Issue” beginning on page 71 of this Prospectus. As disclosed in the said section, our funding requirements and the deployment of the Net Proceeds of the Fresh Issue are based on management estimates and our current business plans; and such fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. Because of the competitive and dynamic nature of the businesses that we operate in, we may need to revise our expenditure and fund requirements due to changes in the cost structure, changes in estimates on receipt of actual quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. In the event of an increase in expenditure and fund requirements, we intend to try and meet these increased requirements through our internal accruals and additional debt or equity arrangements. This may entail rescheduling or revising the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of our Board.

***11. We have not yet placed orders for 100% of plant & machinery and other equipment requirements as specified in the Objects of the Issue. Any delay in procurement of plant & machinery, equipment, etc. may delay the implementation schedule which may also lead to increase in prices of these equipments, further affecting our costs, revenue and profitability.***

We propose to purchase plant & machinery worth Rs. 750 lacs from the proceeds of this Issue as specified in the Objects of the Issue. We have neither placed orders for any part of the plant & machinery and other equipments nor have procured quotations for them; the estimates having been based on the knowledge and experience of our management in this field. Any delay in procurement of plant & machinery, equipment, etc may delay the implementation schedule. We may also be subject to risks of cost escalation on account of inflation in the price of plant & machinery and other equipments that we require. Hence our project could face time and cost over-run which could have an adverse effect on the operations of our Company.

- 12. *There is no monitoring agency appointed by our Company and the deployment of funds is 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 Rs. 100 crores. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds and it will be at the discretion of our Management. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI Listing Regulations and any material deviation will be made only in accordance with applicable laws and SEBI Regulations.

- 13. *Delay in completion of the Issue or any shortfall in raising the amount envisaged coupled with absence of any alternate source of funds would adversely affect our growth plans, operations and financial performance***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section, "Objects of the Issue" on page 71 of the Prospectus. Any delay in completion of the Issue or any shortfall in raising the amount envisaged will adversely affect our ability to pursue the Objects of the Issue especially since we have not identified any alternate source of funds required for the same. Hence, this would result in adverse effect on our growth plans, operations and financial performance.

- 14. *We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business however there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain 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. We are in the process of receipt of certain approvals/licenses for our manufacturing facilities. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required

permits or approvals in time may result in the interruption of our operations, or penal action be taken against our company and its officers in default and may have a material adverse effect on our business.

If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “KEY INDUSTRY REGULATIONS AND POLICIES” and “GOVERNMENT AND OTHER STATUTORY APPROVALS” at page 131 and 215 respectively of this Prospectus

- 15. *We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.***

The Environmental Protection Act, 1986, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended and other regulations promulgated by the Ministry of Environment and Forest and various statutory and regulatory authorities and agencies in India regulate our handling of hazardous substances and wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

- 16. *Our Promoter has interest in the Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.***

Our Promoter is interested to the extent of his shareholding in our Company. In addition, Mr. Deepak Chaudhari, Managing Director of our Company may be deemed to be interested to the extent of remuneration and other benefits as per the terms of his appointment. Our Promoter may also benefit from holding directorship in our Company. Further, he may be deemed to be interested in our Company to the extent of transactions carried on by our Company with Promoter or other group entities in which our promoter is interested including payment of lease rentals for the land leased out to the Company.

- 17. *A significant portion of our sales come from our industrial electricals vertical. If there is a decrease in the demand for these products or a decrease in the average selling prices of these units, our results of operations could be adversely affected.***

A significant portion of our revenue is attributed to sales of the industrial electrical (switch board components/panels/distribution boxes) vertical which accounted for major portion of revenue from operations (net) for the financial year ended March 31, 2018. Demand for these products is affected by various factors such as industrialization, government spending, capital expenditure,



urbanization and real estate growth. If such demand were to decrease, our results of operations could be materially adversely affected.

- 18. *Our ability to offer value added services to our customers on long-term basis depends to an extent on our research and development capabilities; our failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.***

We make investments in product research and development to improve the quality of our products, improve the existing portfolio by design and process improvement; develop and expand our product offerings, which are factors crucial for our future growth and prospects.

We cannot assure you that our future product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our newly developed or improved products will meet the planned objective. Most of our spend on R&D, upon successful development of design, product and process is billed to the customers and as such the risk of unabsorbed R & D expenses is not expected. However, in case, the outcome of our R&D efforts are not as per the expectation of the customer, we may have to absorb the related R&D cost. Additionally, there can be no guarantee that the time and effort that we spend in research and development would provide commensurate benefit to the Company.

In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products.

- 19. *Our Company's production capacity may not correspond precisely to its production demand which may affect our results of operations.***

Our customers may require our Company to meet unexpected increases in purchase orders or require rapid increases in production beyond our Company's production capacity, and we may not have sufficient capacity at any given time to meet sharp increases in these requirements. On the other hand, at times there is also a risk of the underutilization of the production line, which may result in lower profit margins. To soften the impact of this, our Company closely coordinates with customers to have in place regular capacity reports and action plans for common reference and future capacity utilizations. Our Company also closely collaborates with its customers to understand the required technology roadmaps, anticipate changes in technological requirements, and discuss possible future solutions. However, any mismatch in production demand and our production capacity can adversely affect our profitability or results of operations.

- 20. *We have issued Equity shares in the last 12 months at a price lower than the Offer Price.***

We have issued certain Equity Shares in the last twelve months, at a price that is lower than the Offer Price. Details of such issuances are given in the table below:

Particulars	Equity Shares	Remarks
Issue of shares pursuant to acquisition of group entities' business	6,14,984	On April 1, 2017, Business undertakings of Group entities namely; M/s. Spectrum Electroplaters (Jalgaon), M/s. Spectrum Electroplater (Nashik), Spectrum Fabricators (India) Pvt. Ltd. and M/s. Spectrum Polytech (Jalgaon) was acquired by Spectrum Electrical Component Private Limited through a slump sale.



through Slump Sale		Against which collectively, 6,14,984 equity shares each of face value Rs. 100/- at a price of Rs. 327/- were issued on September 28, 2017 as a consideration on non-cash basis to Promoters/Partners of Group entities.
	<b>6,14,984</b>	

Save for the above, our Company has not issued any equity shares at a price lower than the Issue Price during the preceding 1(One) year. For further details, please refer to Chapter "History and Certain Other Corporate Matters" on page 138.

**21. *Our operating results may fluctuate from period to period which may affect our business and financial condition.***

There is a risk that our operating results may fluctuate. Some of the principal factors affecting our operating results include:

- our customers' sales and future business prospect, purchasing patterns and inventory adjustments;
- terms and conditions of the contractual arrangements entered into with customers;
- the mix of the types of products we supply to our customers;
- our effectiveness in managing manufacturing processes and inventory management;
- breakdown, failure, or substandard performance of equipment and our ability to repair them thereby reducing the impact on manufacturing process;
- changes in demand for our products;
- our ability to make optimal use of available manufacturing capacity;
- technological changes and changes in manufacturing processes;
- changes in the cost and availability of labour, raw materials and components and which affect our margins and our ability to meet delivery schedules;
- our ability to manage the timing of our component purchases so that components are available when needed for production, while avoiding the risks of purchasing inventory in excess of immediate production needs;
- timing of new technology development and the qualification of this technology by our customers;
- new product introductions and delays in developing the capability to produce new products;
- our ability to obtain financing in a timely manner; and
- local conditions and events that may affect our production volumes, such as labour conditions and political instability.

The occurrence of any such or other problems could materially and adversely affect our business, financial condition, and results of operation. Thus, it is possible that in some future period our operating results or growth rate may be below the expectations of investors.

**22. *The activities carried out at our manufacturing facilities can cause injury to people or property in certain circumstances.***

The activities carried out at our manufacturing facilities may be potentially dangerous to our employees. While we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees

or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

**23. *We may not be able to optimally utilise our integrated service model to enhance and support our business which may affect our operations, reputation and profitability.***

We strive to provide end-to-end solutions to our customers from designing, global sourcing, manufacturing, quality testing, packaging to logistics support. Over a period of time, we have implemented both forward and backward integration of our activities to enable us to be cost efficient, reduce dependency on third party suppliers (providing raw materials and components) and control quality of components used in the manufacture of products. As part of our integration model, we have developed in house capabilities for electroplating and injection moulding, which are essential components of our manufacturing processes.

We rely on our integrated services for timely and quality manufacturing of our products to fulfil our customers' demands. Should there be any disruptions or malfunctions at any of our facilities as a result of which the components required for manufacturing the end products are not available on time, we may have to procure such components from third party suppliers. If such components are not available at short notice in the volume required by us, within the timelines required by us or at the rates favourable to us, it may have an adverse effect on our profitability and results of operations. Such failure to procure quality components on time may also harm our reputation and cause our customers to terminate our agreements.

**24. *If the current trend followed by the industry and our customers of outsourcing manufacturing to suppliers like us reverses or the quantum of outsourcing reduces, our sales could be adversely affected.***

We are engaged in the business of providing end to end product solutions as well as original design manufacturing of consumer electricals and automobiles products. Over past two decades, companies operating and selling products under their respective brands in these segments have increasingly outsourced the manufacturing of their products to equipment manufacturers and service providers like us in India.

We believe that we have benefited from this outsourcing trend in large part due to our integrated offering and flexibility and ability to reduce costs in manufacturing these products. A customer's decision to outsource is influenced by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing. There can be no assurance that the customers will continue to outsource or increase the share of outsourcing; and in case of such eventuality, our Company's future growth could be limited and our sales & operating results may suffer.

**25. *Our overall margins may fluctuate as a result of the product mix manufactured by us.***

In general, our overall margins may fluctuate depending on the product mix manufactured. For

example, the gross margin of any given product could depend on the total volume manufactured, complexity of manufacturing processes, technology deployed, and other factors. As a result, a change in product mix may decrease the gross margins and operating margins of our Company, which could have a material adverse effect on our business, financial condition and results of operations

***26. Our Company as well as our customers operate in a highly competitive industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.***

Some of our Company's competitors in the industry may have greater design, engineering, manufacturing, financial capabilities, or superior resources. Our customers evaluate the product suppliers based on, among other things, manufacturing capabilities, speed, quality, engineering services, flexibility, and costs. Therefore, we are exposed to risks of our competitors having better resources than us.

Further, OEMs continuously seek to reduce cost. Therefore, our ability to be cost efficient is a critical factor in being preferred by our customers. In addition, major OEMs typically outsource the same type of products to at least two or three outsourcing partners in order to diversify their supply risks. The competitive nature of the industry may result in substantial price competition. The industry could become even more competitive if OEMs fail to significantly increase their overall levels of outsourcing or start manufacturing in-house. This would result in an increasingly competitive market with a smaller market share for the existing players. Increased competition could result in significant price competition, reduced revenues, lower profit margins, or loss of market share, any of which would have a material adverse effect on our Company's business, financial condition, and results of operations.

Our Company's customers may opt to transact with our competitors instead of our Company or if the Company fails to develop and provide the technology and skills required by its customers at a rate comparable to its competitors. While we believe that we are presently offering high quality and cost-competitive outsourcing option to our customers, there can be no assurance that we will be able to continue to maintain or develop the higher value add solutions necessary to retain business or attract new customers. There can also be no assurance that we will be able to continue to maintain a compelling advantage over our competitors.

***27. We may not be able to successfully develop new production processes and new products if we are unable to identify emerging trends or our customers' fail to predict user preferences.***

The consumer electrical components industry is characterized by rapidly changing technology, evolving industry standards, new service and product introductions and changing customer demands. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. Our Company evaluates new products and production processes on a regular basis. We believe that our future success will depend in part upon our ability to develop new production processes and to develop and market new products, which meet customers' evolving needs and successfully anticipate or respond to technological changes in production processes in a cost-effective manner and on a timely basis. Our Company intends to continue engaging in research and development activities to keep pace with market developments and remain competitive.

There can be no assurance that we will be able to secure the necessary technological knowledge or will be successful in developing new manufacturing processes and new products that will allow us to adapt to the changing consumer preferences. If we are unable to develop these in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. To compete effectively in the electronics manufacturing industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner.

We cannot assure you, however, that we will be able to install and commission the equipment needed to manufacture products for our customers' new product programs in time for the start of manufacturing, or that the transitioning of our manufacturing facilities and resources to full production under new product programs will not impact production capacity or other operational efficiency measures at our facilities. As a result, we may incur capital expenditures to develop products to meet customer demands. Our failure to successfully develop and manufacture new products, or a failure by our customers to successfully launch new products, could materially adversely affect our results of operations.

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

Our business requires us to have certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain certificate of registrations for carrying on certain of our business activities from the Government of India, the State Governments and other such regulatory authorities that are subject to numerous conditions.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations.

While as of the date of this Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business in the future. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, could divert management time and attention, and consume financial resources in defence or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings. Further, clean-up and

remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected.

- 29. *Our Promoter, Managing Director and certain Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our Company as shareholders in addition to their remuneration and reimbursement of expenses.***

Our Promoter, Managing Director and some of our Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Directors (including our Promoter) and such Key Managerial Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

- 30. *Our Company has availed financial facility in the nature of Cash Credit from our bankers, which includes several conditions and restrictive covenants. As such, certain actions on part of our Company may require prior written approval of the Banker.***

We have availed credit facilities in the nature of Cash Credit from our bankers, Axis Bank Ltd. The sanction letter/ agreement contain certain restrictive covenants, which among other things require us to obtain their written permission for various actions including undertaking an expansion or diversification programme. These covenants may also under certain circumstances constrain our company's ability to take certain decisions in a timely manner which may have an adverse effect on the functioning and current fund-raising plans of our Company for which their consent is awaited.

- 31. *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 operations.***

We are insured for a number of the risks associated with our manufacturing business, through appropriate insurance policies. 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 honoured 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. We may also be subject to claims resulting from defects in the design or quality of our products. Our insurance may not be effective or adequate to cover all such risks. Failure to effectively cover ourselves against the associated risks for any of these reasons including other unforeseen circumstances could expose us to substantial costs and potentially lead to material losses.

- 32. *We do not own all the premises on which our various manufacturing units are located and the same have been taken on lease. Any failure on our part to meet the terms of those lease agreements, arrangements could jeopardise our interest severely.***

We do not own the land at Jalgaon and Nashik, on which our manufacturing unit(s) are situated, and the same are taken on long lease from MIDC and our Promoter.

If any of the owners of these leased premises do not renew the agreements under which we occupy the premises or we are unable to find satisfactory alternate arrangements to locate our manufacturing unit(s) and/or branch offices upon expiry/non-renewal of such lease agreements, we may suffer a disruption in our operations which might adversely affect our business and results of operations.

### **Risks Related to Our Equity Shares and Equity Share Holders**

33. *Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us and influence the outcome of matters submitted to shareholders for approval.*

As on date of the Prospectus, our Promoter and the members of our Promoter Group hold 93.16% of the issued equity share capital of our Company. Following the initial public offer made through the Prospectus, our Promoter and the members of our Promoter Group will hold 68.63% of the equity share capital of our Company. Thus, a significant control of our Company will be at the discretion of our Promoter and members of the Promoter Group. As a result, our Promoter and members of our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it's in our Company's best interest. In addition, for so long as our Promoter and the members of our Promoter Group continue to exercise significant control over our Company they may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

34. *Our Company may not regularly be in a position to distribute dividends in future and the same will be dependent upon the future earnings, cash flows, working capital requirements, capital expenditures and financial condition.*

Our Company's ability to declare dividend in future, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable laws in this regard and such other factors. There can be no assurance that we will pay dividends in future. Our Company may instead want to retain all the earnings to facilitate any major expansion or business development plans and, therefore, refrain from declaring any dividends on its Equity Shares. Also, if our Company suffers losses in any particular year, our Company may not be in a position to declare dividends.

35. *Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.*



Any future equity issuances by our Company may lead to the dilution of investors' shareholding in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

- 36. *We cannot assure you that our Equity Shares will be listed on the SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of our Equity Shares issued. We have only applied to National Stock Exchange of India Limited to use its name as the Stock Exchange in this Prospectus for listing our Equity Shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge. Permission for listing of the Equity Shares will be granted only after the Equity Shares offered in this Issue have been allotted. Approval from National Stock Exchange of India Limited will require all relevant documents authorizing the issuing of the Equity Shares to be submitted to it. There could be a failure or delay in listing the Equity Shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge. Further, certain procedural and regulatory requirements of SEBI and the Stock Exchange(s) are required to be completed before the Equity Shares are listed and trading commences. Trading in the Equity Shares is expected to commence within 12 Working Days from the Issue Closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

- 37. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.



38. *There may be restrictions on daily movements in the price of our Equity Shares, which can adversely affect shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point of time.*

Subsequent to listing, our Company may be subject to a daily circuit breaker or such other restrictions that may be imposed on trading in securities of listed companies by the National Stock Exchange of India Limited, whereby transactions crossing certain volatility limit in the price of its Equity Shares may not be allowed. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchange(s). The percentage limit on our Company's circuit breaker is set by the National Stock Exchange of India Limited based on certain factors such as the historical volatility in the price and trading volume of the Equity Shares. National Stock Exchange of India Limited is not required to inform us of the percentage limit of the circuit breaker from time to time. This circuit breaker, if imposed, would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure that the shareholders will be able to sell the Equity Shares at desired prices.

### **EXTERNAL RISK FACTORS**

39. *The GoI has implemented a new national tax regime by imposing GST.*

The GoI has implemented a comprehensive national GST regime that has combined taxes and levies by the Central and State Governments into a unified rate structure. GST is a dual levy with state GST and central GST. Central GST has replaced the previous central taxes and duties such as excise duty, service tax, counter vailing duty, special additional duty of customs, central charges and cesses. The state GST has replaced previous local state taxes like VAT, CST, octroi and others including state cesses and charges.

Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

To ensure compliance with the requirements of the GST laws, we may also need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

40. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page 131 of the Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations, including changes in the fiscal incentive structure which the company enjoys at present. There can be no assurance that our Company will succeed in adapting to such regulatory changes or in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised

in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

- 41. *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. The extent and severity of these natural disasters and pandemics determines their impact on these economies. Our operations and financial results and the market price and liquidity of our equity shares may be affected by social and ethnic instability and other political and economic developments affecting India.

- 42. *Terrorist attacks/war/conflicts where we operate or where our clients and Customers are located could adversely affect the financial markets and adversely affect our business.***

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, or another part of the world where we operate or may operate or our client may operate, may adversely affect Indian and worldwide financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced social and civil unrest, terrorist attacks and hostilities with neighbouring countries. Such social or civil unrest or hostilities could disrupt communications and adversely affect the economy of such countries. Such events could also create a perception that investments in companies such as ours involve a higher degree of risk than investments in companies in other countries. This, in turn, could have material adverse effect on the market for securities of such companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business.

- 43. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing to fund our growth on favourable terms or at all.

- 44. *Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.***

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

- 45. Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increases tax rates could adversely affect our business and results of operations.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code as well as new goods and services tax regime is expected to be introduced in the future, and the scope of the service tax has been enlarged. The statutory corporate income tax in India is 30% (exclusive of surcharge and Education cess). The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

## PROMINENT NOTES

### 1. Size of The Issue

Public Issue of 39,80,000 Equity Shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 65/-each per Equity Share (issued at 6.5 times the Face value) aggregating to Rs. 2,587.00 lakhs ("the issue") by Spectrum Electrical Industries Limited.

### 2. The average cost of acquisition of Equity Shares by the Promoter:

Name of the Promoter	No. of Shares held	Average Cost of acquisition per share (Rs.)*
Mr. Deepak Chaudhari	80,17,600	19.44

\*The average cost of acquisition of our Equity Shares by our Promoter has been calculated by taking into account the consideration in respect of allotment done upon incorporation of M/s. Spectrum Electrical Industries Limited, further allotment to Promoter, shares issued as consideration on non-cash basis.

- Our Networth as on March 31, 2018 is Rs. 3,373.47 lakhs as per restated financial statements.
- The Book Value per share as on March 31, 2018 is Rs. 30.28 (*considering face value of equity shares of Rs. 10 each*) as per restated financial statements.
- For details of the transactions between our Company and our Group Companies please refer "Annexure No. 31 - Related Party Transactions" on page 197 under the chapter titled "Restated Financial Information" of this Prospectus.
- Our Company was originally incorporated as Spectrum Polytech Private Limited under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on August 12, 2008. Pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on February 18, 2014, name of our Company was changed to Spectrum Electrical Component Private Limited and a fresh Certificate of Incorporation dated March 11, 2014 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name was later changed to Spectrum Electrical Industries Pvt. Ltd. on June 14, 2018. The Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018 and the name of our Company was changed to Spectrum Electrical Industries Limited vide a fresh Certificate of Incorporation dated June 20, 2018. The Registered Office & Corporate Office of our Company is located at Jalgaon in the State of Maharashtra. For further details about our Company, please see section titled "History and Certain Other Corporate Information" on page 138 of this Prospectus.
- Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the NSE Emerge, the Designated Stock Exchange. For more information, please refer to "Issue Procedure - Basis of Allotment" on page 278 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is

finalized in a fair and proper manner as set out therein

8. Investors may contact the Lead Manager or the Compliance Officer of the Company for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
9. Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner what so ever. Investors may contact the Lead Manager for any complaints pertaining to the Issue. Investors are free to contact the Lead Manager for any clarification or information relating to the issue.
10. During the period of six months immediately preceding the date of filing of this Prospectus, no financing arrangements existed whereby the Promoters, Promoter Group, Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

## SUMMARY OF THE INDUSTRY

*The information presented in this section, some of which is produced elsewhere in this Prospectus, has been extracted and analyzed from publicly available documents and reports prepared or published by regulatory bodies, professional organizations and other external sources such as websites of various commodity exchanges. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.*

### Indian Economic Overview

Growth is increasing, making India the fastest-growing G20 economy. Investment and exports, supported by the smoother implementation of the new goods and services tax (GST), are becoming major growth engines. Inflation will hover within the target band, with upside risks reflecting rising oil prices and an increase in housing allowance for public employees. The current account deficit will increase. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities.

Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the best projects and avoiding a new increase in non-performing loans. Investing more in education and training, combined with a modernisation of labour laws, would help create better jobs and make growth more inclusive.

### The economy is rebounding after the transitory negative impacts of demonetisation and GST

Reforms are gradually paying off, as confirmed by the recovery in industrial production and investment after several weak years. With capacity utilisation rising, corporate earnings recovering and the recapitalisation of public banks, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetisation. However, a recovery is underway as suggested by the recent rebound in two-wheelers sales and other vehicles. The number of employees eligible for social security benefits has been boosted by an amnesty scheme for companies, but still stands below 10% of total employees. Employment data are partial but suggest that overall job creation has been lacklustre.

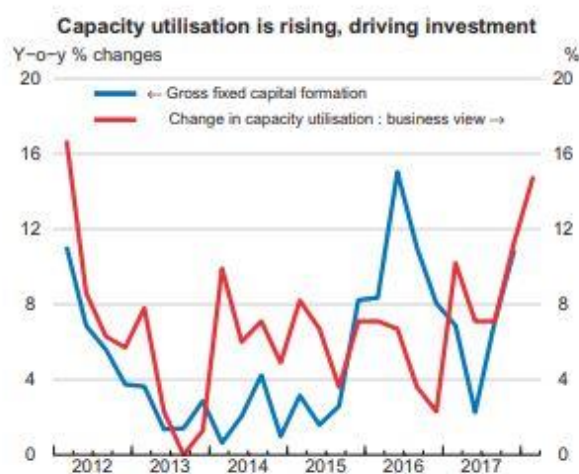
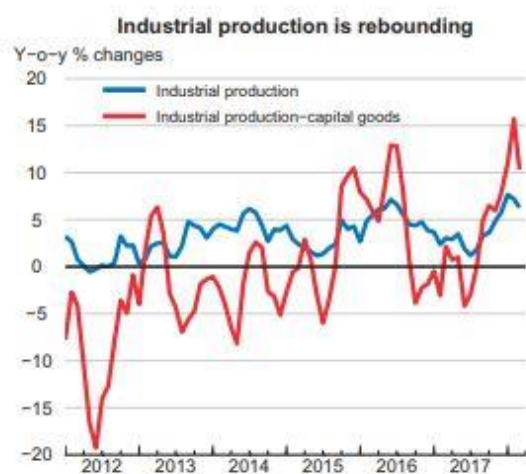
The drag on growth from exports is vanishing as foreign demand is rising and procedures to comply with the new GST have been adjusted to ease liquidity constraints faced by exporters. Pressures on the current account deficit are stemming from the rapid increase in imports, accompanying the recovery in import-intensive investment, and oil prices. Core inflation is slightly above target, but relatively stable despite large price shocks associated with demonetisation and the GST implementation.

### Growth is projected to accelerate

Growth will be supported by an acceleration in private investment as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. Exports will strengthen thanks to competitiveness gains resulting from the implementation of the GST. Higher agricultural prices will raise rural incomes and consumption but put pressures on the fiscal deficit. Delays in cleaning banks' balance sheets would risk weighing on investment, as would a faster-than-projected increase in interest rates in OECD countries. An increase in commodity prices would create pressures on inflation, the current account and the fiscal deficit while depressing private consumption. On the other hand, the modernisation of labour laws at the central government or state levels would promote job creation and make growth more inclusive.

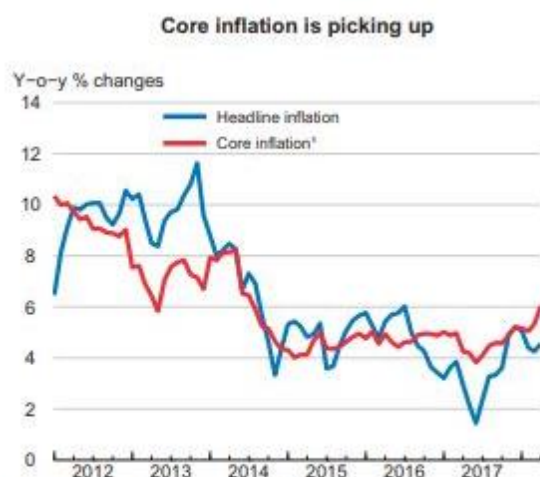
Below graph describes the recovering trend in various parameters used for tracking economics of country:

### India



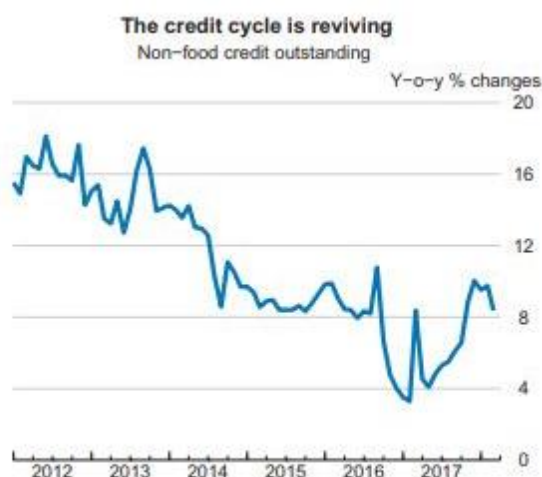
Source: Central Statistics Office; and Reserve Bank of India.

StatLink  <http://dx.doi.org/10.1787/888933730104>



1. Excludes food, beverage and fuel prices.

Source: Central Statistics Office; and Reserve Bank of India.



StatLink  <http://dx.doi.org/10.1787/888933730123>



Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook.pdf>

### **Demand for Electrical equipments is driven along with Real Estate & Infrastructure development**

Electrical equipments manufactured by our Company are used for transmission and distribution at commercial level and demand generated is directly proportional to growth of real estate and infrastructure sector. Real Estate & Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Real Estate & Infrastructure creates lots of demand for products from non-core industries, like plastic sheets, steel wire, electrical equipment, engineering equipment's and many more.

### **Investments / Developments**

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private equity investments in real estate are estimated to grow to US\$ 100 billion by 2026 with tier 1 and 2 cities being the prime beneficiaries. India stood third in the US Green Building Council's (USGBC) ranking of the top 10 countries for Leadership in Energy and Environmental Design (LEED) certified buildings, with over 752 LEED-certified projects across 20.28 million gross square meters of space. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.67 billion in the period April 2000-December 2017.

Some of the major investments in this sector are as follows:

- In February 2018, DLF bought 11.76 acres of land for Rs 15 billion (US\$ 231.7 million) for its expansion in Gurugram, Haryana.
- In February 2018, Japanese conglomerate Sumitomo Corporation announced its US\$ 2 billion partnership with Krishna Group to develop real estate projects in the country.
- KKR India Asset Finance Pvt Ltd has invested over US\$ 500 million in residential real estate projects in India in 2017, taking its total investments in real estate projects in India to US\$ 1 billion.

### **Government Initiatives**

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US\$ 9.27 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

## **SUMMARY OF OUR BUSINESS**

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Spectrum Electrical Industries Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information. This section should be read together with "Risk Factors" on page 12 and "Industry Overview" on page 96 of this Prospectus.*

### **OVERVIEW**

We are an ISO 9001:2015 certified company, engaged in the business of designing and manufacturing of electrical, automobile and irrigation components as contract manufacturers and as component suppliers to leading industry players on Business-to-Business (B2B) model.

Our focus has been on providing one-stop-shop solutions mainly to manufacturers of electrical products and components in India. We offer integrated design and manufacturing solutions for local and internationally recognised brands in the electrical products industry. We have developed ability to manufacture most of these products from the concept and design stage up to the final delivery to the customer's distribution network thereby covering the entire value chain.

We offer end-to-end product solutions to our customers under the B2B model wherein we provide services ranging from global sourcing, manufacturing, quality testing and packaging to logistics. We also offer products in the intermediate stages to many of our customers.

Over last two decades, we have gained invaluable experience in assisting our customers develop new designs, incorporating latest technologies and efficiently utilising our manufacturing facilities, equipment and materials and thereby constantly improving our product offerings, structure and functional design so as to meet our customers' needs.

We undertake manufacture and supply of finished products and intermediate-stage products for our customers on contract basis depending upon the demand from them.

Our manufacturing unit(s) are located at Jalgaon & Nashik in Maharashtra. We also have a commercial tool room with modern infrastructure backed by an experienced team. We offer comprehensive design services, ranging from product conceptualisation, designing, technical detailing, tooling and productivity improvement services resulting in improved manufacturing processes for our customers' products.

Our Company was originally incorporated as Spectrum Polytech Private Limited on August 12, 2008. The name was later changed to Spectrum Electrical Component Private Limited on March 11, 2014, which was further changed to Spectrum Electrical Industries Pvt. Ltd. on June 14, 2018. The Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018 and the name of our Company was changed to Spectrum Electrical Industries Limited vide a fresh Certificate of Incorporation dated June 20, 2018. The Registered Office & Corporate Office of our Company is located at Jalgaon in the State of Maharashtra.

## BUSINESS HISTORY

Mr. Deepak Chaudhari, Promoter of our Company, started his entrepreneurial journey in 1995 by incorporating a proprietary firm, M/s. Spectrum Electroplaters in Jalgaon, Maharashtra. The firm was focused on undertaking zinc, nickel, tin, copper, silver and gold electroplating for Morarjee Dorman Smith Pvt. Ltd. (presently part of Legrand Group) and VIP Industries Limited. As the firm's business grew, Mr. Deepak Chaudhari extended the business operations to Nashik by incorporating a partnership firm under the name and style of M/s. Spectrum Electroplater in 2003, along with his business associates Mr. Devendra Rane and Mr. Chandrakant Rane. The partnership firm started with similar activities of electroplating and later on added Distribution Box Manufacturing activities for Anchor Electricals Pvt. Ltd. and ABB Limited in 2012.

To further expand the fabrication capacity, Mr. Deepak Chaudhari incorporated M/s. Spectrum Fabricators (India) Pvt. Ltd. in Jalgaon in 2004. After achieving stability in the operations across the group entities, Mr. Deepak Chaudhari started Injection Moulding business and set up a partnership firm, M/s. Spectrum Polytech at Jalgaon along with his wife, Mrs. Bharti Chaudhari in 2008. Later on, a commercial tool room was set up in Spectrum Polytech for manufacturing of dies and moulds.

For improving efficiencies, effective management and improvement / advancement of business, it was decided to integrate all the business operations of the group entities into one single entity. Accordingly, through business transfer agreements dated March 31, 2017, business of all the group entities, along with respective assets and liabilities were transferred to our Company with effect from April 1, 2017.

As a result of this business integration, the Company currently owns all the businesses carried on by erstwhile group entities, viz. the following:

S. No	Name of Entity	Year of Establishment	Plant Location	Business Activity	Major Clientele
1	Spectrum Electroplaters	1995	Plot No. J-76/1, MIDC Area, Jalgaon, Maharashtra  Plot No. G-94/1, MIDC Area, Jalgaon, Maharashtra	Electroplating	1. Novateur Electricals and Digital Systems Pvt. Ltd. (Subsidiary of Legrand SA, France) 2. Anchor Electricals Pvt. Ltd.
2	Spectrum Electroplater	2003	Plot No. G-12, MIDC Area, Ambad, Nashik, Maharashtra  Plot No. W-27, MIDC Area, Satpur, Nashik, Maharashtra  Plot No. D-1/19, MIDC Area, Ambad, Nashik, Maharashtra	Electroplating, Sheet Metal Fabrication & Powder Coating	3. Schneider Electric India Private Limited 4. Jain Irrigation Systems Limited 5. Hager Electro Private Limited 6. Larsen & Toubro Limited 7. Honeywell Electrical Devices and Systems India

			Plot No. W-190, MIDC Area, Ambad, Nashik, Maharashtra		Limited
3	Spectrum Fabricators (India) Pvt. Ltd.	2004	Plot No. C-2/1 & 2, MIDC Area, Jalgaon, Maharashtra  Plot No. J-73, MIDC Area, Ajanta Road, Jalgaon, Maharashtra	Sheet Metal Fabrication & Powder Coating	8. ARaymond Fasteners Pvt. Ltd. 9. Polycab Wires Pvt. Ltd.
4	Spectrum Polytech	2008	Plot No. V-195, MIDC Area, Ajanta Road, Jalgaon, Maharashtra	Tool Room & Injection Moulding	

Our journey started with electroplating; and over past two decades we have added allied business activities of sheet metal fabrication, stamping, tool room, metal finishing & injection moulding. Today, as an integrated business enterprise, we are manufacturing and supplying a range of finished products directly to OEM customers' warehouses/distribution network besides supplying intermediate-stage products to many customers. Our multi-technological capabilities and integrated offerings combined with our product quality & customer service have helped us emerge as a preferred vendor to large corporate to source finished product directly from us, rather than outsourcing different intermediary products through different vendors. Through our long standing business relationship with our customers, we have acquired invaluable knowledge of customers' business process & quality expectations. Our successful delivery of products meeting customers' expectations as to quality and service has earned us a position of strategic supplier for our customers.

Key financial data upon consolidation of these entities with our Company is given below:

*Amt. In INR Lakhs*

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Turnover	10,020.41	9,503.07	8,085.99
EBIDTA	1,321.12	1,188.35	1,072.38
EBIDTA %	13.18%	12.50%	13.26%
PBT	515.08	365.46	273.80
PAT	349.70	247.04	184.66
Net Worth	2,705.26	2,027.68	1,746.79
Gross Block	5,854.44	4,457.66	3,798.84

**Note:** The above data is sourced from "Annexure No. 32 – Other Relevant Information" under chapter titled "Restated Financial Information" on page 201 of this Prospectus.

By virtue of Business Transfer Agreements (BTA) dated March 31, 2017, all the assets, liabilities, vendor approvals, customer relationships etc. of the aforesaid group entities stand transferred and vested in our Company. For more details on BTA, please refer to Chapter "History & Certain Other Corporate Information" on page 138 of this Prospectus.

## **SUMMARY OF OUR FINANCIAL STATEMENTS**

*The following tables set forth the summary financial information derived from our restated financial statements for the period ended March 31, 2018. Our restated financial statements have been prepared in accordance with accounting policies as prescribed under the Accounting Standards issued by ICAI and the SEBI (ICDR) Regulations, 2009 and are presented in the section titled “Restated Financial Information” on page 170 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements and the notes thereto*

Our Company took over the running business of its group entities viz. Spectrum Fabricators (India) Pvt. Ltd. (SFIPL); M/s. Spectrum Electroplaters, Jalgaon; M/s. Spectrum Electroplater, Nasik; and M/s. Spectrum Polytech, Jalgaon, through slump sale. The activities of the group companies were interconnected and complementary and therefore, for improving efficiencies, effective management and improvement / advancement of business, it was decided to integrate all the business operations of the group entities into one single entity. Consequent to which, corresponding effect of increase in value of assets and liabilities in financial statement can be seen, as now the financial statement is representing all assets & liabilities (existing as well as acquired from group entities) post integration of business of group entities.

Accordingly, the figures for financial year ended March 31, 2018 reflect the financial position of the Company after the acquisition of businesses of group entities with effect from April 1, 2017. The financial position prior to FY 2018, represent the financial position of the Company as it stood before integration of group businesses.

For further details, please refer to the Chapter “History & Certain Other Corporate Information” on page 138

## STATEMENT OF ASSETS &amp; LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	1,113.98	499.00	499.00	333.28	95.28
Reserve & Surplus	2,259.49	79.51	26.24	(3.79)	(5.52)
<b>Total (A)</b>	<b>3,373.47</b>	<b>578.51</b>	<b>525.24</b>	<b>329.50</b>	<b>89.76</b>
<b>Non -Current Liabilities</b>					
Long Term Borrowings	1,818.03	933.32	810.02	150.05	-
Deferred Tax Liabilities (Net)	43.03	0.21	-	-	-
Other Long Term Liabilities	-	-	-	-	-
<b>Total (B)</b>	<b>1,861.06</b>	<b>933.53</b>	<b>810.02</b>	<b>150.05</b>	<b>-</b>
<b>Current Liabilities</b>					
Short Term Borrowings	1,626.16	101.93	-	-	-
Trade Payables	3,144.95	778.74	52.46	9.32	-
Other Current Liabilities	470.52	78.20	81.72	0.43	-
Short Term Provisions	287.18	35.09	21.88	0.97	0.17
<b>Total (C)</b>	<b>5,528.81</b>	<b>993.96</b>	<b>156.06</b>	<b>10.72</b>	<b>0.17</b>
<b>Total (D=A+B+C)</b>	<b>10,763.34</b>	<b>2,506.00</b>	<b>1,491.32</b>	<b>490.27</b>	<b>89.93</b>
<b>Assets</b>					
<b>Fixed Assets:</b>					
a. Tangible Assets	4,095.81	608.21	149.54	-	-
b. Intangible Assets	-	-	-	-	-
c. Capital Work-in-Progress	890.31	1,382.55	860.32	483.08	-
Deferred Tax Asset (Net)	-	-	0.73	-	-
Long Term Loans & Advances	240.20	29.91	179.89	-	58.04
Non-Current Investments	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-
<b>Total (E)</b>	<b>5,226.32</b>	<b>2,020.68</b>	<b>1,190.48</b>	<b>483.08</b>	<b>58.04</b>
<b>Current Assets</b>					
Current Investments	-	-	-	-	-
Inventories	2,241.00	106.41	51.93	-	-
Trade Receivables	2,248.50	-	-	-	-
Cash & Bank Balances	501.69	182.82	101.58	1.27	31.89
Short Term Loans & Advances	29.67	5.95	5.36	5.36	-
Other Current Assets	516.16	190.14	141.97	0.56	-
<b>Total (F)</b>	<b>5,537.02</b>	<b>485.33</b>	<b>300.84</b>	<b>7.19</b>	<b>31.89</b>
<b>Total (G=E+F)</b>	<b>10,763.34</b>	<b>2,506.00</b>	<b>1,491.32</b>	<b>490.27</b>	<b>89.93</b>



## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Income</b>					
Revenue from Operations	11,954.82	658.80	215.88	13.50	-
Other Income	28.42	0.97	-	0.40	-
<b>Total</b>	<b>11,983.24</b>	<b>659.77</b>	<b>215.88</b>	<b>13.90</b>	<b>-</b>
<b>Expenditure</b>					
Cost of Material Consumed	8,092.36	433.04	128.22	-	-
Purchase of Stock in Trade	-	-	-	-	-
Change in inventories of Finished Goods, Stock-in-Trade & Scrap	(352.48)	(23.93)	(28.13)	-	-
Employees Costs	802.45	14.06	10.07	5.29	
Finance Cost	447.29	26.18	7.06	0.22	
Depreciation	392.13	30.85	3.69	-	-
Other Expenses	1,791.21	113.04	56.07	5.88	5.39
<b>Total</b>	<b>11,172.96</b>	<b>593.24</b>	<b>176.97</b>	<b>11.39</b>	<b>5.39</b>
<b>Profit before exceptional &amp; extra-ordinary items &amp; tax</b>	<b>810.28</b>	<b>66.53</b>	<b>38.91</b>	<b>2.51</b>	<b>(5.39)</b>
Exceptional Items	-	-	-	-	-
<b>Profit before extra-ordinary items &amp; tax</b>	<b>810.28</b>	<b>66.53</b>	<b>38.91</b>	<b>2.51</b>	<b>(5.39)</b>
Extra ordinary items	-				
<b>Profit before tax</b>	<b>810.28</b>	<b>66.53</b>	<b>38.90</b>	<b>2.51</b>	<b>(5.39)</b>
<b>Less: Provision for Taxes:</b>					
Current Tax	177.14	12.31	9.61	0.78	-
Deferred Tax	42.82	0.94	(0.73)	-	-
Dividend Distribution Tax	-	-	-	-	-
<b>Profit/Loss for the period from continuing operations</b>	<b>590.32</b>	<b>53.27</b>	<b>30.03</b>	<b>1.73</b>	<b>(5.39)</b>

## STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before taxes	810.28	66.52	38.91	2.51	(5.39)
<b>Adjustment for:</b>					
Add: Depreciation	392.12	30.85	3.69	-	-
Add: Interest & Finance Charges	430.44	26.05	6.13	0.22	-
Less – Interest & Dividend Income	(17.44)	(0.90)	-	(0.40)	-
Add: Income Tax	126.93	-	-	-	-
Add – Other Adjustments:	109.50	-	-	-	0.07
Less: Loss on Sale of Fixed Assets					
Operating Profit before Working capital changes	<b>1,851.83</b>	<b>122.52</b>	<b>48.73</b>	<b>2.33</b>	<b>(5.32)</b>
<b>Adjustments for:</b>					
Decrease (Increase) in Trade & Other Receivables	(2,248.50)	-	-	-	-
Decrease (Increase) in Short Term Loans & Advances	(23.72)	(0.59)	-	(5.36)	-
Decrease (Increase) in Inventories	(2,134.58)	(54.49)	(51.93)	-	-
Decrease (Increase) in Other Current Assets (Excluding Advance Tax & TDS)	(199.08)	(48.16)	(141.40)	(0.56)	-
Increase (Decrease) in Trade Payables	2,366.21	726.28	43.14	9.32	-
Increase (Decrease) in Other Current Liabilities	392.32	(3.52)	81.28	0.43	-
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	252.07	13.21	20.91	0.80	0.04
Decrease (Increase) in Long Term Loans & Advances	(210.29)	149.98	(179.88)	58.04	(58.04)
Net Changes in Working Capital	<b>(1,805.58)</b>	<b>(782.71)</b>	<b>(227.88)</b>	<b>62.67</b>	<b>(58.00)</b>
Cash Generated from Operations	45.64	905.22	(179.15)	65.00	(63.32)
Less Taxes	177.14	12.31	9.61	0.77	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(130.89)</b>	<b>892.93</b>	<b>(188.76)</b>	<b>64.23</b>	<b>(63.32)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Sale / (Purchase) of Fixed Assets	(3,557.20)	(1,011.75)	(530.48)	(483.08)	-
Decrease (Increase) in Investments	-	-	-	-	-
Interest & Dividend Income	17.44	0.90		0.40	
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(3,539.76)</b>	<b>(1,010.85)</b>	<b>(530.48)</b>	<b>(482.68)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of share capital	2,011.00	-	165.72	238.00	94.28
Interest & Finance Charges	(430.44)	(26.05)	(6.13)	(0.22)	-
Increase / (Repayment) of Long Term Borrowings	884.71	123.30	659.96	150.05	-
Increase / (Repayment) of Short Term Borrowings	1,524.23	101.93	-	-	-
Dividend and Dividend Distribution Tax	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>3,989.50</b>	<b>199.18</b>	<b>819.56</b>	<b>387.83</b>	<b>94.28</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>318.86</b>	<b>81.26</b>	<b>100.31</b>	<b>(30.62)</b>	<b>30.96</b>

Cash and cash equivalents at the beginning of the year / Period	182.84	101.58	1.27	31.89	0.93
Cash and cash equivalents at the end of the year/ Period	501.70	182.84	101.58	1.27	31.89

Note:

1. The issuance of equity share capital is for consideration other than cash against purchase of business of group entities. However, the same is included in cash flow statement above for purpose of reconciliation with the assets acquired.
2. The figures in the Restated Cash flows are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

## THE ISSUE

### Present Issue to the Public in Terms of this Prospectus

Particulars	Number of Equity Shares
<b>Equity Shares Offered</b>	39,80,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. 55/- per Equity Share aggregating Rs. 2,587.00 Lacs.
<b>Issue Reserved for Market Makers</b>	2,00,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. 55/- per Equity Share aggregating Rs. 130 Lacs.
<b>Net Issue to the Public</b>	37,80,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. 55/- per Equity Share aggregating Rs. 2,457.00 Lacs.
<b>Equity Shares outstanding prior to the Issue</b>	1,11,39,840 Equity Shares of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	1,51,19,840 Equity Shares of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer section titled "Objects of the Issue" on Page 71 of this Prospectus

- 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 "Issue Structure" on page 238 of this Prospectus.
- The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on July 2, 2018 and by Special Resolution passed by the shareholders at an Extra Ordinary General Meeting held on July 10, 2018.

## GENERAL INFORMATION

Our Company was originally incorporated as Spectrum Polytech Private Limited under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on August 12, 2008. Pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on February 18, 2014, name of our Company was changed to Spectrum Electrical Component Private Limited and a fresh Certificate of Incorporation dated March 11, 2014 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name was later changed to Spectrum Electrical Industries Pvt. Ltd. on June 14, 2018. The Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018 and the name of our Company was changed to Spectrum Electrical Industries Limited vide a fresh Certificate of Incorporation dated June 20, 2018.

For details of the changes in our Name, Registered Office and other details, please see section titled "History and Certain Other Corporate Information" on page 138 of this Prospectus.

<b>Registered &amp; Corporate Office</b>	Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon - 425 003 Maharashtra; Tel : 0257 2210 192 Website:www.spectrum-india.com
<b>Date of Incorporation</b>	August 12, 2008
<b>Corporate Identity Number (CIN)</b>	U28100MH2008PLC185764
<b>Address of Registrar of Companies</b>	Registrar of Companies, Maharashtra Everest, 5 <sup>th</sup> floor, 100 Marine Drive Mumbai - 400 002.
<b>Designated Stock Exchange</b>	SME platform of NSE (NSE EMERGE)
<b>Company Secretary and Compliance Officer</b>	Ms. Sarita Zamwar Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon - 425 003 Maharashtra; Tel: 0257 2210 192; e-Mail: sarita.zamwar@spectrum-india.com

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant. For all Issue related queries and for redressal of complaints, applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

For details in relation to the changes to the name of our Company, please refer to the section titled “History and Certain Other Corporate Information” beginning on page 138 of this Prospectus

## BOARD OF DIRECTORS

Our Board of Directors comprise of the following members:

Name	Designation	DIN	Address
Mr. Deepak Suresh Chaudhari	Managing Director	00538753	39/ A, Near Lions Club Hall, Adarsh Nagar, Jalgaon-425001, Maharashtra
Mrs. Bharti Deepak Chaudhari	Whole Time Director	02759526	
Mr. Chandrakant Bhaskar Rane	Director	06410254	N.P. Developers Building No. 1/901, Ozone Valley, Parsic Nagar, Kharegaon, Kalwa (W), Thane-400605, Maharashtra
Mr. Devendra Sudhakar Rane	Director	06415078	P. No. 21, Pinto Nagar, Sai Krupa Nagar, Jail Road, Dasak, Nashik-422101, Maharashtra
Mr. Sanjay Padmakar Pawde	Independent Director	08129564	Block No-7, Maharashtra Bank Colony, Near Mahabal Auto Stop, Mahabal, Jalgaon 425 001, Maharashtra
Mr. Narendra Daulatrao Wagh	Independent Director	02430616	Plot No. 25, Shatri Nagar, Near Girana Water Tank, Jalgaon 425 002 Maharashtra
Mr. Subhash Narayan Patil	Independent Director	00926521	32, Pratiksha Nimbakar Society, Malbar Hill Road, Mulund West Mumbai 400 082, Maharashtra
Mr. Saurabh Shrikant Malpani	Independent Director	08193734	“Ramashraya”, Birla Road, Opposite Tilak Park, Ramdaspath, Akola 444 001, Maharashtra

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 146 of this Prospectus.

## KEY INTERMEDIARIES TO THE ISSUE AND OUR COMPANY

LEAD MANAGER	REGISTRAR TO THE ISSUE
<b>ARIHANT CAPITAL MARKETS LIMITED</b> <b>Merchant Banking Division</b> 1011 Solitaire Corporate Park, 1 <sup>st</sup> floor Guru Hargovindji Road, Chakala Andheri (East), Mumbai – 400 093. Tel: 022- 42254800; Fax: 022- 42254880 Email: mbd@arihantcapital.com Contact Persons: Mr. Amol Kshirsagar / Mr. Ankur Sharma.	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059 Tel: 022-6263 8200; Fax: 022-6263 8299 Email: ipo@bigshareonline.com Contact Person: Mr. Ashok Shetty



STATUTORY AUDITORS	PEER REVIEWED AUDITOR
<b>M/s. S. D. Chopde &amp; Company</b> <b>Chartered Accountants</b> Firm Registration No.- 101577W 54, Gandhi Nagar, Jilha Peth, Jalgaon 425 001, Maharashtra Tel: 0257-2228232/2221597 Email: <a href="mailto:sohanchopde2005@yahoo.co.in">sohanchopde2005@yahoo.co.in</a>	<b>M/s. HMA &amp; Associates</b> <b>Chartered Accountants</b> Firm Registration No.- 100537W H.O. - 1, Runwal Pratishtha, 1202/27 Shivaji Nagar, Behind Santosh Bakery, Apte Road, Pune 411 004. Tel : 020-25536110; e-mail : <a href="mailto:ho@hmaca.in">ho@hmaca.in</a>

PRINCIPAL BANKER TO OUR COMPANY
<b>Axis Bank Limited</b> Patel Plaza, C.S. No. 2683, A1/17, M.G. Road, Jalgaon 425 001, Maharashtra Tel: 0257 222 6900 Email: <a href="mailto:jalgaon.branchhead@axisbank.com">jalgaon.branchhead@axisbank.com</a>

#### SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

#### CREDIT RATING

As the Issue is of Equity shares, credit rating is not required.

#### TRUSTEES

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

#### IPO GRADING

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

#### 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

The objects of the present issue have not been appraised by any appraising agency.

#### INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Arihant Capital Markets Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

## EXPERT OPINION

Except for (a) Peer Review Auditors 'reports on the restated financial statements by M/s. HMA & Associates, Chartered Accountants (b) Statement of Tax Benefits by the statutory auditors, M/s. S. D. Chopde & Co., Chartered Accountants (Copies of the said report and statement of tax benefits have been included in the Prospectus), we have not obtained any other expert opinions.

## UNDERWRITING

The present Issue is fully underwritten. An Underwriting agreement has been entered into between the Underwriters and our Company on September 5, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter 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:

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs. in lakhs)
Arihant Capital Markets Limited, 1011, Building No. 10, 1 <sup>st</sup> Floor, Solitaire Corporate Park, Guru Hargovind Ji Road, Chakala, Andheri East, Mumbai 93	37,80,000	2,457.00
Total	37,80,000	2,457.00

In the opinion of the Board of Directors of the Company (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI and are also eligible to underwrite as per applicable guideline.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our company and the Lead Manager have entered into a tripartite agreement dated September 5, 2018 with the following Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

Arihant Capital Markets Limited,  
1011, Building No. 10, 1<sup>st</sup> Floor,  
Solitaire Corporate Park,  
Guru Hargovind Ji Road,  
Chakala, Andheri East,  
Mumbai 93Tel: 022 4225 4800  
Fax: 022 4225 4880  
Email: mbd@arihantcapital.com

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 NSE and SEBI regarding this matter from time to time.

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012. it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 Crore to Rs. 50 Crore	20%	19%
Rs. 50 Crore to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

- 4) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 5) The Market Maker(s) shall have the right to terminate said arrangement by giving a six 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 the 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 not exceeding five or as specified by the relevant laws and regulations applicable at that particular point of time.
- 6) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 7) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 8) 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.

- 9) NSE SME Exchange will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 10) NSE 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(s) 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 Stock 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 Rs. 250 Crores, the applicable price bands for the first day shall be:
  - (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange time to time.

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

## CAPITAL STRUCTURE

The share capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below:

Serial	Particulars	Aggregate Face Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A	<b>Authorised Share Capital</b> 1,75,00,000 Equity Shares of Rs. 10/- each	17,50,00,000	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,11,39,840 Equity Shares of Rs. 10/- each	11,13,98,400	-
C	<b>Present Issue in terms of this Prospectus</b> 39,80,000 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per Equity Share	3,98,00,000	25,87,00,000
	Consisting of		
I	<b>Reservation for Market Maker</b> 2,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per Equity Share	20,00,000	1,30,00,000
II	<b>Net Issue to the Public</b> 37,80,000 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per Equity Share	3,78,00,000	24,57,00,000
	<b>Of the Net Issue to Public</b>		
	18,90,000 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lakhs	1,89,00,000	12,28,50,000
	18,90,000 Equity Shares of Rs. 10/- each at a premium of Rs. 55/- per Equity Share will be available for allocation for allotment to other investors of above Rs. 2.00 Lakhs	1,89,00,000	12,28,50,000
D	<b>Paid-up Equity Capital after the Issue</b> 1,51,19,840 Equity Shares of Rs.10/- each	15,11,98,400	-
E	<b>Securities Premium Account</b> Before the Issue After the Issue	Rs. 13,96,01,368 Rs. 35,85,01,368	

Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

## NOTES FORMING PART OF CAPITAL STRUCTURE

## 1. Details of Changes in Authorized Share Capital of our Company

Date	Details of Changes
Incorporation	Authorized Capital with Rs. 1,00,000 divided into 1,000 Equity Shares of Rs. 100/- each
18/2/2014	Increase in Authorized Share Capital of the Company from Rs. 1,00,000/- divided into 1,000 Equity Shares of Rs. 100/- each to Rs. 5,00,00,000/- divided into 5,00,000 Equity Shares of Rs. 100/- each.
20/9/2017	Increase in Authorized Share Capital of the Company from Rs.5,00,00,000/- divided into 5,00,000 Equity Shares of Rs. 100/- each to Rs.11,20,00,000/- divided into 11,20,000 Equity Shares of Rs. 100/- each.
10/4/2018	Reclassification of Authorized Share Capital of the Company from Rs. 11,20,00,000/- divided into 11,20,000 Equity Shares of Rs. 100/- each to Rs.11,20,00,000/- divided into 1,12,00,000 Equity Shares of Rs. 10/- each pursuant to sub-division of equity shares in the ratio of 1:10.

30/6/2018	Increase in Authorized Share Capital of the Company from Rs. 11,20,00,000/- divided into 1,12,00,000 Equity Shares of Rs. 10/- each to Rs. 17,50,00,000/- divided into 1,75,00,000 Equity Shares of Rs. 10/- each.
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## 2. Paid Up Equity Share Capital History of our Company

Date of Allotment	No. of Equity Shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Securities Premium (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
On incorporation	1,000	1,000	100	100	-	1,00,000	Cash*	Subscribers to MOA
17/03/2014	9,000	10,000	100	100	-	10,00,000	Cash	Rights Issue to Promoter & Promoter Group
30/03/2014	85,280	95,280	100	100	-	95,28,000		
30/06/2014	2,38,000	3,33,280	100	100	-	3,33,28,000		
03/08/2015	14,630	3,47,910	100	100	-	3,47,91,000		
08/09/2015	4,100	3,52,010	100	100	-	3,52,01,000		
08/10/2015	1,46,990	4,99,000	100	100	-	4,99,00,000		
28/9/2017	6,14,984	11,13,984	100	327	13,96,01,368	11,13,98,400	Non Cash**	Allotment to Promoter, Promoter Group & Public Shareholders
10/4/2018	-	1,11,39,840	10	-	13,96,01,368	11,13,98,400	Sub-division of equity shares of Rs. 100/- to Rs. 10/-	

\*Equity shares issued pursuant to incorporation of Company (Spectrum Polytech Private Limited)

\*\* Equity shares issued pursuant to slump sale of business of group entities; M/s. Spectrum Electroplaters (Jalgaon), M/s. Spectrum Electroplater (Nashik), Spectrum Fabricators (India) Pvt. Ltd. (Jalgaon) and Spectrum Polytech (Jalgaon) as a consideration on non-cash basis.

## 3. Details of Allotment made in the last two years preceding the date of the Prospectus:

Details of Allotment made in the last two years preceding the date of the Prospectus are as per details given below:

### 1. ALLOTMENT OF SHARES PURSUANT TO SLUMP SALE AS A CONSIDERATION ON NON CASH BASIS

Name of Allottee	No. of Shares (Face Value Rs. 100)
Mr. Deepak Chaudhari	3,33,260
Mrs. Bharti Chaudhari	21,992
Mr. Chandrakant Rane	41,264
Mr. Devendra Rane	34,982
Spectrum Fabricators (India) Pvt. Ltd.	1,83,486
<b>Total</b>	<b>6,14,984</b>

### 2. TRANSFER OF SHARES BY MRS. BHARTI CHAUDHARI AS GIFT

Name of Transferee	No. of Shares (Face Value Rs. 100)
Mr. Sunil Jangle	1
Mrs. Meena Jangle	1
<b>Total</b>	<b>2</b>



Save for the above mentioned allotment/transfer of equity shares, none of the shareholders of the Company have been allotted fresh equity shares of the Company in the last two years preceding the date of the Prospectus.

#### 4. DETAILS OF EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH:

Details of equity shares issued for consideration other than cash are stated below:

Particulars	Equity Shares	Remarks
Issue of shares pursuant to acquisition of group entities' business through Slump Sale	6,14,984	On April 1, 2017, Business undertakings of Group entities namely; M/s. Spectrum Electroplaters (Jalgaon), M/s. Spectrum Electroplater (Nashik), Spectrum Fabricators (India) Pvt. Ltd. and M/s. Spectrum Polytech (Jalgaon) was acquired by Spectrum Electrical Component Private Limited through a slump sale. Against which collectively, 6,14,984 equity shares each of face value Rs. 100/- at a price of Rs. 327/- were issued on September 28, 2017 as a consideration on non-cash basis to Promoters/Partners of Group entities.
	<b>6,14,984</b>	

Save for the above, our Company has not issued any equity shares at a price lower than the Issue Price during the preceding 1(One) year

#### 5. CAPITAL BUILD UP IN RESPECT OF SHAREHOLDING OF OUR PROMOTER AND PROMOTER GROUP:

##### PROMOTER

Date	Consideration	Face Value	No. of Shares	Cumulative Shareholding	Remarks
<b>Mr. Deepak Chaudhari</b>					
On Incorporation	Cash	Rs. 100/-	500	500	Subscribers to MOA
17/03/2014	Cash	Rs. 100/-	9,000	9,500	Rights Issue to Promoter and Promoter Group
30/03/2014	Cash	Rs. 100/-	65,280	74,780	
30/06/2014	Cash	Rs. 100/-	2,28,000	3,02,780	
03/08/2015	Cash	Rs. 100/-	14,630	3,17,410	
08/09/2015	Cash	Rs. 100/-	4,100	3,21,510	
08/10/2015	Cash	Rs. 100/-	1,46,990	4,68,500	Shares issued for consideration other than cash under Slump Sale
28/9/2017	Refer Note 1	Rs. 100/-	3,33,260	8,01,760	
10/4/2018	Refer Note 2	Rs. 10/-	-	80,17,600	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-

##### PROMOTER GROUP

Date	Consideration	Face Value	No. of Shares	Cumulative Shareholding	Remarks
<b>Mrs. Bharti Chaudhari</b>					
20/08/2008	Refer Note 3	Rs.100/-	500	500	Transfer of Shares by Mr. Sanjay Pamidiparti to Mrs. Bharti Chaudhari

Date	Consideration	Face Value	No. of Shares	Cumulative Shareholding	Remarks
30/03/2014	Cash	Rs.100/-	20,000	20,500	Rights Issue to Promoter and Promoter Group
30/06/2014	Cash	Rs.100/-	10,000	30,500	
28/09/2017	Refer Note 1	Rs.100/-	21,992	52,492	Shares issued for consideration other than cash under Slump Sale
01/04/2018	Gift	Rs.100/-	(1)	52,491	Gift to Mrs. Meena Jangle
01/04/2018	Gift	Rs.100/-	(1)	52,490	Gift to Mr. Sunil Jangle
10/4/2018	Refer Note 2	Rs. 10/-	-	5,24,900	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-
<b>M/s. Spectrum Fabricators (India) Pvt. Ltd.</b>					
28/09/2017	Refer Note 1	Rs.100/-	1,83,486	1,83,486	Shares issued for consideration other than cash under Slump Sale
10/4/2018	Refer Note 2	Rs. 10/-	-	18,34,860	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-
<b>Mrs. Meena Jangle</b>					
01/04/2018	Gift Received	Rs.100/-	1	1	Gift from Mrs. Bharti Chaudhari
10/4/2018	Refer Note 2	Rs. 10/-	-	10	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-

**OTHERS - NON PROMOTER**

Allotment Date	Consideration	Face Value	No. of Shares	Cumulative Shareholding	Remarks
<b>Mr. Devendra Rane</b>					
28/09/2017	Refer Note 1	Rs.100/-	34,982	34,982	Shares issued for consideration other than cash under Slump Sale
10/4/2018	Refer Note 2	Rs. 10/-	-	3,49,820	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-
<b>Mr. Chandrakant Rane</b>					
28/09/2017	Refer Note 1	Rs.100/-	41,264	41,264	Shares issued for consideration other than cash under Slump Sale
10/4/2018	Refer Note 2	Rs. 10/-	-	4,12,640	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-
<b>Mr. Sunil Jangle</b>					
01/04/2018	Gift Received	Rs.100/-	1	1	Gift from Mrs. Bharti Chaudhari
10/4/2018	Refer Note 2	Rs. 10/-	-	10	Sub- Division of equity shares from Rs. 100/- to Rs. 10/-

**Note 1** – Equity shares issued pursuant to Slump Sale of group businesses of face value Rs. 100/- each at a price of Rs. 327/- as a consideration on non cash basis on September 28, 2017

**Note 2**– Sub-division of equity shares of face value Rs. 100/- to Rs. 10/-, approved in the EGM held on April 10, 2018

**Note 3** - Mr. Sanjay Pamidiparti had subscribed to 500 equity shares of face value Rs. 100/- each upon incorporation through MOA. These equity shares were sold to Mrs. Bharti Chaudhari on 20/08/2008 at a price of Rs. 100/- each.

**6. THE AVERAGE COST OF ACQUISITION PER EQUITY SHARE BY OUR PROMOTER IS GIVEN BELOW:**

Serial	Promoter	No. of Shares	Average cost
1	Mr. Deepak Chaudhari	80,17,600	Rs. 19.44

**7. DETAILS OF THE PRE AND POST ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP IS AS UNDER:**

Name	Pre-Issue		Post-Issue	
	No. of Shares	% of pre-issue capital	No. of Shares	% of post-issue capital
Mr. Deepak Chaudhari	80,17,600	71.97%	80,17,600	53.03%
Mrs. Bharti Chaudhari	5,24,900	4.71%	5,24,900	3.47%
Spectrum Fabricators (India) Pvt. Ltd.	18,34,860	16.47%	18,34,860	12.14%
Mrs. Meena Jangle	10	0.00%	10	0.00%
<b>Total</b>	<b>1,03,77,370</b>	<b>93.16%</b>	<b>1,03,77,370</b>	<b>68.63%</b>

**8. PROMOTER'S CONTRIBUTION AND LOCK-IN:**

The following shares held by Promoter are locked-in as Promoter's Contribution in the manner given below:

Date of Allotment	Particulars	No. of Shares*	% of pre-issue capital	% of post-issue capital	Lock-in period
On Incorporation	Subscription to MOA	5,000	0.04%	0.03%	3 Years
17/03/2014	Further Allotment to Promoter and Promoter Group on cash basis	90,000	0.81%	0.60%	3 Years
30/03/2014		6,52,800	5.86%	4.32%	3 Years
30/06/2014		22,76,168	20.41%	15.05%	3 Years
30/06/2014		3,832	0.06%	0.04%	1 Year
03/08/2015		1,46,300	1.31%	0.97%	1 Year
08/09/2015		41,000	0.37%	0.27%	1 Year
08/10/2015		14,69,900	13.19%	9.73%	1 Year
28/09/2017	Refer Note	33,32,600	29.92%	22.06%	1 Year
<b>Total</b>		<b>80,17,600</b>	<b>71.97%</b>	<b>53.08%</b>	

\* To ensure uniformity, face value of all Equity Shares are taken at Rs. 10/- each for calculation purposes.

**Note**

Shares issued pursuant to Slump Sale of group businesses of face value Rs. 100/- each at a price of Rs. 327/- as a consideration on non-cash basis.

The Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Promoter, Mr. Deepak Chaudhari has, by a written undertaking, consented to have 30,23,968 Equity Shares held by him to be locked in as Minimum Promoters Contribution for a period of 3 (three) years from the date of allotment in this Issue and will not be disposed/sold/transferred by the Promoters during the period starting from the date of filing the Prospectus with NSE EMERGE till the date of commencement of lock-in period. The Equity Shares under the Promoter's contribution will constitute 20% of our post-issue paid up share capital. The above Promoter has also consented that the Promoter's contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company

**Eligibility of Share for Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

Regulation Number	Shares ineligible for Minimum Promoters' Contribution	Eligibility Status of Equity Shares forming part of Promoters' Contribution
33(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(a)(ii)	Specified securities 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	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(d)	Specified securities pledged with any creditor.	Our Promoters has not pledged any shares with any creditors. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

**DETAILS OF SHARE CAPITAL LOCKED IN FOR ONE YEAR**

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire remaining pre-issue capital held by promoters and entire pre-issue capital held by persons other than promoter of our Company i.e. promoter group entities and other shareholders shall be locked in for a period of 1(One) year from the date of allotment of Equity Shares in this Issue.

As on date, Equity Shares of our Company issued till date are held by shareholders in demat mode. These shares shall be locked in for a period of one year from the date of allotment. The issuer shall ensure that the certificates of Equity Shares which are subject to lock- in shall contain the inscription “non-transferable” and the lock in period; and in case of dematerialised shares, the lock-in is recorded by the depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**OTHER REQUIREMENTS IN RESPECT OF LOCK-IN:**

- (a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- (b) 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 36 or 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.
- (c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.



## 9. Our Shareholding pattern

## Summary Statement holding of specified securities

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 No. of shares held (VII)= (IV+V+VI)	Shareholding as % of total no. of shares (calculated as per SCRR 1957) (VIII)( As a % of (A+B+C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underlying outstanding convertible securities (Including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of fully diluted share capital) (XI)=(VII) +(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. 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	No. (a)	As a % of total shares held	
								Equity Shares	Others	Total								
(A)	Promoter & Promoter Group	4	1,03,77,370	-	-	1,03,77,370	93.16	1,03,77,370	-	1,03,77,370	93.16	-	93.16	-	-	-	-	1,03,77,370
(B)	Public	3	7,62,470	-	-	7,62,470	6.84	7,62,470	-	7,62,470	6.84	-	6.84	-	-	-		7,62,470
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(C1)	Shares Underlying DRs	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	NA		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	Total	7	1,11,39,840			1,11,39,840	100	1,11,39,840	-	1,11,39,840	100	-	100	-	-	-	-	1,11,39,840

We have entered into tripartite agreement dated August 9, 2018 with NSDL & dated August 14, 2018 with CDSL and have received the ISIN - INE01EO01010.





## Summary Statement holding pattern of Promoter and Promoter Group

Category y (I)	Category of Shareholder (II)	No. of Sha reholde rs (III)	No. of fully paid up equity shares held (IV)	No. of part ly paid up equi ty shar es held (V)	No . of sh are s unde rly in g De posito ry Re cei pts (V I)	Total No. of shares held (VII)= (IV+V+VI )	Share holdin g as % of total no. of shares (calcul ated as per SCRR 1957) (VIII)( As a % of (A+B+ C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underly ing outstandi ng convertib le securities (Includin g Warrants ) (X)	Sharehold ing as a % assuming full conversio n of convertibl e securities (as a % of fully diluted share capital) (XI)=(VII )+(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbere d (XIII)		No. of equity shares held in dematerializ ed form (XIV)	
								No. of voting rights			Total as a % of (A+ B+C )			No. (a)	As a % of total shar es hel d	No. (a)	As a % of total shar es hel d		
								Equity Shares	Ot he rs	Total									
(1)	Indian																		
(a)	Individuals/ HUF	3	85,42,510	-	-	85,42,510	76.68	85,42,510	-	85,42,510	76.68	-	76.68	-	-	-	-	-	85,42,510
(b)	Central Government/ State Governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/B anks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other	1	18,34,860	-	-	18,34,860	16.47	18,34,860	-	18,34,860	16.47	-	16.47	-	-	-	-	-	18,34,860
	Sub Total (A)(1)	4	1,03,77,370	-	-	1,03,77,370	93.16	1,03,77,370	-	1,03,77,370	93.16	-	93.16	-	-	-	-	-	1,03,77,370



(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals/ NRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total A =(A)(1)+(A)(2 )</b>	<b>4</b>	<b>1,03,77,370</b>	<b>-</b>	<b>-</b>	<b>1,03,77,370</b>	<b>93.16</b>	<b>1,03,77,370</b>	<b>-</b>	<b>1,03,77,370</b>	<b>93.16</b>	<b>-</b>	<b>93.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,03,77,370</b>



## Summary Statement holding pattern of Public Shareholders

Category y (I)	Category of Shareholder (II)	No. of Sha re olde rs (III)	No. of fully paid up equity shares held (IV)	No. of part ly paid up equi ty sha res held (V)	No . of sh are s un de rly in g De po sit or y Re cei pts (V I)	Total No. of shares held (VII)= (IV+V+VI )	Share holdin g as % of total no. of shares (calcul ated as per SCRR 1957) (VIII)( As a % of (A+B+C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underly ing outstandi ng convertib le securities (Includin g Warrants ) (X)	Sharehold ing as a % assuming full conversio n of convertibl e securities (as a % of fully diluted share capital) (XI)=(VII )+(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbere d (XIII)		No. of equity shares held in dematerializ ed form (XIV)
								No. of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total share s hel d	No. (a)	As a % of total share s hel d	
								Equity Shares	Ot he rs	Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
(1)	Institutions															NA		-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(c)	AIF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(d)	Foreign venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(e)	Foreign portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-



(f)	Financial Institution / /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(h)	Provident Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(i)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	<b>SubTotal (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(2)	<b>Central Govt/State Govt/President of India</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	<b>SubTotal (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-

## Summary Statement holding pattern of Public Shareholders (cont'd)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
(3)	<b>Non Institutions</b>															NA		-
(a)	Individuals i. Individual shareholders holding nominal share capital upto Rs. 2 Lakhs.  ii. Individual shareholders holding	1	10	-	-	10	0.00%	10	-	10	0.00%	-	0.00%	-	-	-		-



	nominal share capital in excess of Rs. 2 Lakhs.	2	7,62,460	-	-	7,62,460	6.84%	7,62,460	-	7,62,460	6.84%	-	6.84%	-	-	-	7,62,470
(b)	NBFC registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(d)	Overseas Depositories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(e)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	<b>Sub Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	<b>Total B= (B)(1)+(B)(2)+(B)(3)</b>	3	7,62,470	-	-	7,62,470	6.84%	7,62,470	-	7,62,470	6.84%	-	6.84%	-	-	NA	7,62,470



## Summary Statement holding pattern of Non Promoter Non Public Shareholders

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 No. of shares held (VII)= (IV+V+VI)	Shareholding as % of total no. of shares(calculated as per SCRR 1957) (VIII)(As a % of (A+B+C2))	No. of Voting Rights held in each class of security (IX)				No. of shares underlying outstanding convertible securities (Including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of fully diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. 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	No. (a)	As a % of total shares held	
								Equity Shares	Others	Total								
(1)	Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(2)	Employee Benefit trust (under SEBI share based Employee Benefit Regulations , 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	Sub Total (C2)	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	NA		-
	Total C= (C1)+(C2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-

**10. Top 10 Shareholders of our Company and their Shareholding is set forth below:-**

As on the date of the Prospectus, our Company has 7 (Seven) shareholders.

(a) Our shareholders as on the date of filing of the Prospectus are as follows:

Serial	Name of the Shareholder	No. of Shares	% of pre-issue paid-up capital	Mode of holding
1	Mr. Deepak Chaudhari	80,17,600	71.97%	Demat
2	Spectrum Fabricators (India) Pvt. Ltd.	18,34,860	16.47%	Demat
3	Mrs. Bharti Chaudhari	5,24,900	4.71%	Demat
4	Mr. Chandrakant Rane	4,12,640	3.70%	Demat
5	Mr. Devendra Rane	3,49,820	3.14%	Demat
6	Mr. Sunil Jangle	10	0.00%	Demat
7	Mrs. Meena Jangle	10	0.00%	Demat
	<b>Total</b>	<b>1,11,39,840</b>	<b>100.00%</b>	

(b) Our shareholders as on 10 days prior to the date of filing of the Prospectus are as follows:

Serial	Name of the Shareholder	No. of Shares	% of pre-issue paid-up capital
1	Mr. Deepak Chaudhari	80,17,600	71.97%
2	Spectrum Fabricators (India) Pvt. Ltd.	18,34,860	16.47%
3	Mrs. Bharti Chaudhari	5,24,900	4.71%
4	Mr. Chandrakant Rane	4,12,640	3.70%
5	Mr. Devendra Rane	3,49,820	3.14%
6	Mr. Sunil Jangle	10	0.00%
7	Mrs. Meena Jangle	10	0.00%
	<b>Total</b>	<b>1,11,39,840</b>	<b>100.00%</b>

(c) Details of shareholders of our Company as on 2 (two) years prior to the date of filing of the Prospectus, are as follows:

Serial	Name of the Shareholder	No. of Shares*	% of pre-issue paid-up capital
1	Mr. Deepak Chaudhari	46,85,000	93.89
2	Mrs. Bharti Chaudhari	3,05,000	6.11
3	Mr. Chandrakant Rane	-	-
4	Mr. Devendra Rane	-	-
5	Spectrum Fabricators (India) Pvt. Ltd.	-	-
6	Mr. Sunil Jangle	-	-
7	Mrs. Meena Jangle	-	-
	<b>Total</b>	<b>49,90,000</b>	<b>100.00</b>

*\*In March 2016, face value of the equity shares was Rs. 100/-, however, for uniformity in disclosure, same has been adjusted to current face value of Rs. 10/- and represented above.*

**11. Public shareholders holding more than 1% of the capital**

As on the date of the Prospectus, there are total of 3 public shareholders in our Company. Details of the public shareholders holding more than 1% of the total paid up capital of the Company, are given below:



Serial	Name of the Shareholder	No. of Shares	% of pre-issue paid-up capital
1	Mr. Chandrakant Rane	4,12,640	3.70%
2	Mr. Devendra Rane	3,49,820	3.14%
	<b>Total</b>	<b>7,62,460</b>	<b>6.84%</b>

12. Save for the following, there have been no subscription to or sale or purchase of the securities of our Company within 3 (three) years preceding the date of filing of the Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the Pre-Issue share capital of our Company:

Equity Shares	Date of acquisition	Remarks
14,630	03/08/2015	Rights Issue of equity shares of face value Rs. 100/- to Promoter & Promoter Group on cash basis
4,100	08/09/2015	
1,46,990	08/10/2015	
6,14,984	28/09/2017	Issuance of equity shares of face value Rs. 100 pursuant to acquisition of business of group entities through slump sale as a consideration on non cash basis

13. Save for the gift of 1 equity share of face value Rs. 100 each to Mr. Sunil Jangle and Mrs. Meena Jangle by Mrs. Bharti Chaudhari, no Equity Share has been purchased or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within 6 (six) months immediately preceding the date of filing of the Prospectus:
14. Our Company has issued 6,14,984 Equity Shares of Rs. 100 each on September 28, 2017 pursuant to acquisition of business of group entities through slump sale as a consideration on non- cash basis. Also, each equity share of the face value of Rs. 100/- was sub-divided into 10 equity shares of Rs. 10 each. Save for these, our Company has not made any issue of equity shares during the preceding 1 (one) year from the date of the Prospectus.
15. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of 6 (six) months immediately preceding the date of filing of Prospectus.
16. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
17. As on the date of the Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up.
18. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
19. As on the date of the Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
20. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any

buy back and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.

21. The Lead Manager and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
22. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application money is refunded on account of failure of Issue.
23. At present our Company does not intend or propose to alter its capital structure for a period of 6 (six) months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, if we were to enter into acquisition or joint ventures or make investments, we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
24. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
25. An over-subscription to the extent of 10% of the Issue can be retained for rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
26. Under-subscription, if any, in one category, would be allowed to be met with spill-over from the other category at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange i.e. NSE Emerge. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
27. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations.
28. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by Stock Exchange, SEBI and other regulatory authorities from time to time.
30. As on the date of the Prospectus, we do not have any Employees Stock Option Scheme/Employees Stock Purchase Scheme.
31. We have 7 (Seven) Shareholders as on the date of filing of the Prospectus.

32. Our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956 or Section 230-232 of the Companies Act, 2013.
33. This issue is being made under the Fixed Price method.
34. Save for the below mentioned issuance of shares, Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

Date	Consideration	Face Value	No. of Shares	Remarks
Mr. Deepak Chaudhari				Rights Issue to Promoter and Promoter Group
17/03/2014	Cash	Rs. 100/-	9,000	
30/03/2014	Cash	Rs. 100/-	65,280	
30/06/2014	Cash	Rs. 100/-	2,28,000	
03/08/2015	Cash	Rs. 100/-	14,630	
08/09/2015	Cash	Rs. 100/-	4,100	
08/10/2015	Cash	Rs. 100/-	1,46,990	
Mrs. Bharti Chaudhari				
30/03/2014	Cash	Rs.100/-	20,000	
30/06/2014	Cash	Rs.100/-	10,000	

35. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
36. There are no safety net arrangements for this public issue.

## OBJECTS OF THE ISSUE

We propose to raise an amount of Rs. 2,587.00 lacs through the fresh issue of equity shares. Our Company intends to utilize the Issue Proceeds for the following objects:

Serial	Particulars	(Rs. in lakhs)
(A)	To set up a Zinc Plating plant at Umale	750.00
(B)	To meet long term working capital requirements	1,000.00
(C)	General Corporate Purposes	587.00
(D)	Issue Expenses	250.00
	<b>Total</b>	<b>2,587.00</b>

We also propose to enlist the Equity Shares of our Company, including those being offered through this Prospectus, on the SME Platform of NSE i.e. “EMERGE” and trade in the SME Continuous Normal Market. Our Company has received an ‘in-principle’ approval from NSE for the listing of the Equity Shares pursuant to their letter dated August 31, 2018. For the purpose of this Issue, the Designated Stock Exchange shall be NSE Emerge.

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. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For further details on the main objects clause set out in our Memorandum of Association, please see “History and Certain Other Corporate Information” on page no. 138

We propose to meet the requirement of funds for the stated Objects of the Issue entirely from the issue 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 and have not been appraised by any bank or financial institution or independent third party entity. 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, business or strategy, as discussed further below. 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. Any change in deployment of funds shall be done in compliance with applicable laws and regulations. In case of a shortfall in the Net Proceeds, our management may explore a range of options, which include utilisation of our internal accruals and/or, debt financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

### DETAILS OF THE UTILISATION OF ISSUE PROCEEDS

#### A) Setting up of Zinc plating plant at Umale (Rs. 750 lakhs)

To meet the growing orders and business requirements, we are required to expand our electroplating capacities. Our Company has acquired land at Gat No. 130, Umale, Jalgaon, which is proposed to be

used for setting up of dedicated alkaline zinc plating unit with a rated capacity of 1,200 metric tonnes. Our current rated electroplating capacity is 2,000 metric tonnes per annum. We believe that this capacity addition will help us achieve benefits of economies of scale and will positively affect the results of operations and profits.

The details of estimated cost of setting up zinc plating plant by our management are as below:

Sr. No.	Particulars	Quantity (Nos.)	Amount (Rs. Lakhs)
A.	Factory Land (Owned)	-	-
B.	Factory Building and Civil Works		200
C.	<b>Plant &amp; Machinery</b>		
1	Cost of Automatic Zinc Acid/ Alkaline Plating Line consisting of 58 Tanks with 4 Transporter and its Accessories	1 Set	325
D.	<b>Misc. Fixed Assets</b>		
1	<b>Misc. and Special Purchase Machines for Testing</b>		15
	Rapid I Machine	1	
	XRF Machine	1	
	Thickness Tester	1	
	Quality Inspection Table	3	
	Other Misc. Equipments		
2	<b>Material Handling Equipment</b>		
	Manual Hydraulic Pallate	2	3
	Battery Operated Electrical Stacker	1	9
	Other Misc. Equipments		3
3	Air Compressor	1	8
4	RO + DM Water Plant	1	7
5	Servo Voltage Stabilizer	1	9
6	Cost of Jigs & Other Fixtures		10
E	Furniture & Fixtures and Office Equipments		11
F	<b>Electrification</b>		10
1	Electricity Connection Charges including Deposit & Instruments		30
2	Transformer	1	10
3	Indoor Lightning System		9
4	Power Cables and Labour Charges		8
G	Effluent Treatment Plant		35
H	Pre-operative Expenses		20
I	Contingencies		28
	<b>Total Project Cost</b>		<b>750.00</b>

The cost of machineries and equipment proposed to be purchased and related expenses proposed to be incurred for setting up of new unit are estimated by Management of the Company and no firm orders have been placed. The actual cost would, thus, depend on the prices finally agreed with the suppliers and, to that extent, may vary from the estimates. The above machineries and equipment are available locally and the same shall be procured from reputed suppliers.

**(B) To meet long-term working capital requirements (Rs.1,000 lakhs)**

Our Company's business model is working capital intensive and we have been meeting working capital requirements through combination of bank funding and internal accruals. We propose to meet our long-term working capital requirements upto Rs. 1,000 lakhs from the net proceeds of the issue and balance from the borrowings and internal accruals as per our requirement.

Details of our working capital requirement are as per follows:

<b>Particulars</b>	<b>March 31, 2017<sup>#</sup></b>	<b>March 31, 2018</b>	<b>March 31, 2019</b>
	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Projected)</b>
<b>Current Assets</b>			
Trade Receivables	-	2,249	3,138
Cash & Cash Equivalents	183	502	750
Current Investments	-	-	-
Inventories	106	2,241	2,639
Other Current Assets	196	546	679
<b>Total (A)</b>	<b>485</b>	<b>5,537</b>	<b>7,206</b>
<b>Current Liabilities</b>			
Trade Payables	74*	2,739	2,486
Short Term Provisions	35	287	316
Other Current Liabilities	78	471	116
<b>Total (B)</b>	<b>187</b>	<b>3,496</b>	<b>2,918</b>
<b>Working Capital Gap (A-B)</b>	<b>298</b>	<b>2,041</b>	<b>4,288</b>
<b>Source of Funding</b>			
Bank Funding	102	1,626	1,900
<b>Issue Proceeds</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
Internal resources	196	415	1,388

<sup>#</sup> Financial figures for FY 2017 reflect position of balance sheet prior to integration of group businesses.

\* The Trade Payables for the financial year 2017 are net of long-term advances from group entities.

**Assumptions for working capital requirements**

<b>Particulars</b>	<b>Remarks</b>
Trade Receivables	The trade receivables in F.Y. 2017-18 were of 68 days which is expected to slightly increase to 72 days in F.Y. 2018-19. With the focus on expanding operations in other states and enhancing electroplating capacity the average credit period offered is expected to marginally increase.
Inventory	Inventory holding period in FY 2017-18 was of 101 days. Due to implementation of ERP system and better management controls, the inventory holding period is expected to reduce to about 96 days in FY 2018-19
Trade Payables	The trade payables in F.Y. 2017-18 were of 124 days and is expected to be reduced to 91 days during FY 2018-19 as the Company is planning to achieve more cost efficiencies from the suppliers by reducing credit days from vendors. The management plans to balance the credit period and the cost of supplies in a manner most suited for efficient operations, considering the cash flow position. We also propose to buy some proportion of raw materials in cash, enabling us to source at cheaper prices, which would add to our margins.

Pursuant to the certificate dated August 6, 2018, M/s. S.D. Chopde, Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements and the working capital projections as approved by the Board by the resolution dated August 6, 2018.

**(C) General Corporate purposes (Rs. 587.00 lacs)**

Our Company intends to deploy Rs. 587.00 lacs out of IPO Proceeds towards general corporate purposes. In terms of Regulation 4(4) of the SEBI ICDR Regulations, this amount shall not exceed 25% of the amount raised by the Issuer. Our management will have flexibility in applying the said amount for various purposes, including (i) financing future growth requirements; (ii) meeting expenses incurred in the ordinary course of business; (iii) meeting expenses towards any strategic initiatives, partnerships, tie-ups, joint ventures, acquisitions for inorganic growth; (iv) meeting exigencies faced in the ordinary course of business; and (v) any other purpose as may be approved by our Board.

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

**(E) Issue Expenses (Rs. 250 lacs)**

The expenses for this Issue include issue management fees, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated at Rs. 250 Lacs. An estimated break-up of the same is as under:

Particulars	Rs. in lakhs	% of issue expenses	% of Issue size
Fees to intermediaries (including Lead Managers fees, underwriting commission, market making fees, brokerage and selling commission, registrar fees and expenses)	175.00	70	6.76
Printing & Stationery, postage / courier expenses	10.00	4	0.39
Expenses towards marketing, advertising and publicity	40.00	16	1.55
Regulatory fee; Out of pocket and other misc expenses	25.00	10	0.96
<b>Total</b>	<b>250.00</b>	<b>100.00</b>	<b>9.66</b>

**SCHEDULE OF IMPLEMENTATION**

Activity	Start	Completion
Ordering of Machineries for Zinc plating Unit	October 2018	December 2018
Installation of Machineries	January 2019	March 2019
Commencement of commercial production	April 2019	

**FUNDS DEPLOYED TILL DATE**

As on August 6, 2018 the Company has deployed a sum of Rs. Rs. 11.80 lakhs towards the Objects of the Issue mentioned above, as certified by M/s. S.D. Chopde, Chartered Accountants, having office at 54, Gandhi Nagar, Jilha Peth, Jalgaon 425 001, Maharashtra, Regn. No. 101577W. The details of the deployment are as under:

Particulars	Amount (Rs. Lacs)
<b>DEPLOYMENT OF FUNDS:</b>	
- Issue Expenses	11.80
<b>Total</b>	<b>11.80</b>



<b>SOURCES OF FUNDS:</b>	
- Internal Resources	11.80
<b>Total:</b>	<b>11.80</b>

The funds deployed towards Objects of the Issue, will be eventually met out of the proceeds of the Issue.

## DEPLOYMENT OF FUNDS

	Rs. in lakhs
<b>Particulars</b>	<b>FY 2019</b>
To set up a Zinc Plating plant at Umale	750.00
To meet long term working capital requirements	1,000.00
General Corporate Purposes	587.00
Issue Expenses	250.00
<b>Total</b>	<b>2,587.00</b>

## INTERIM USE OF PROCEEDS

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

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

## APPRAISAL

The Objects of this Issue have not been appraised by any bank or any other independent financial institution.

## MONITORING OF UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 100 Crores, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of the proceeds of the Issue.

Pursuant to Regulation 32 of the SEBI Listing Regulations, 2015, our Company shall, disclose to the Audit Committee, the application of proceeds of the Issue on half-yearly basis. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than as proposed in this Prospectus and place it before the Audit Committee. Such disclosures shall be made until the proceeds of the Issue have been utilized in full.

No part of the proceeds of this issue will be paid as consideration to our Promoters, Directors, Key Managerial Personnel or group concerns/companies promoted by our Promoters except in the ordinary course of business.

## OTHER CONFIRMATIONS:

There are no existing or anticipated transactions in relation to the utilization of Net Proceeds with any of our Promoters, Directors, Key Managerial Personnel or Group Companies and no part of the Net Proceeds is intended to be paid by our Company as consideration to any of our Promoters, Directors, Key Managerial Personnel or Group Entities, except in the ordinary course of business. Our Promoters,

Directors, Key Managerial Personnel and Group Entities do not have any existing or anticipated interest in our proposed acquisition of any of the machineries or in respect of any of the expenses envisaged in the objects of the present Issue set out above.

## **VARIATION IN OBJECTS**

In accordance with Section 27 of the Companies Act, 2013, the Company shall not vary the objects of the present Issue without the Company being authorised to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Pursuant to the Companies Act, 2013, the Promoters or controlling shareholders will be required to provide an exit offer to the shareholders who do not agree to such proposal to vary the terms of contracts or objects referred to in the Prospectus at such exit price and as per such terms and conditions as may be prescribed by SEBI.

## **BASIC TERMS OF THE ISSUE**

The Equity shares being offered are subject to the provision of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this offer document and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected 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, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 65/- per Equity Share is 6.5 times the face value of Rs. 10/- per Equity Share, and has been determined by our Company, in consultation with the Lead Managers on the basis of market conditions and on the basis of the following qualitative and quantitative factors. You should read the following summary with the sections titled “Risk Factors”, “Business Overview” and “Restated Financial Information” on pages 12, 106 and 170 respectively, of this Prospectus, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

### QUALITATIVE FACTORS

We believe, following are some of the qualitative factors, which form the basis for computing the issue price :

- Proven track-record of the Promoter, Mr. Deepak Chaudhari in creating, establishing and growing the business into an integrated, multi-technology electrical components designing and manufacturing company;
- Emerged as reliable supplier of wide range of high quality intermediate and finished products to leading names in the electrical industry;
- Top customers include marquee brands like Legrand, Schneider and Anchor-Panasonic;
- Well-equipped manufacturing facilities with in-house tool room;
- Dedicated research and development capabilities focussed on improved production processes, cost savings and better product performances;
- Huge growth potential through entry into new geographies;
- Strong financial performance and stable cash flows.

For a detailed discussion on the qualitative factors, please refer to the sections titled “Our Business – Competitive Strengths” and “Risk Factors” on pages 113 and 12 respectively of this Prospectus.

### QUANTITATIVE FACTORS

Financial information pertaining to our Company presented in this section is derived from our restated financial information, in accordance with the Companies Act and the SEBI Regulations. For more details on the financial information, please see the section “Restated Financial Information” on page 170. Some of the quantitative factors which may form the basis for computing the Issue Price, are as follows:

#### 1. Basic and Diluted Earnings per Share (“EPS”)

Year ended on March 31	Basic EPS	Diluted EPS	Weight
2018	5.30	5.30	3
2017*	1.07	1.07	2
2016*	0.60	0.60	1
<b>Weighted Average</b>			<b>3.11</b>

*\*It is to be noted that the figures for FY 2017 and FY 2016 of our Company are prior to integration of group entities’ businesses. To ensure uniformity, face value of Equity Shares for all years is taken at Rs. 10/- each for calculation purposes.*

Notes:

- (i) Earnings per share (EPS) calculations are done in accordance with Accounting Standard 20(AS 20), “Earnings Per Share” prescribed by the Central Government in accordance with the Companies (Accounting Standards) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(ii) *Basic Earnings Per Share (Rs.) = Net profit after tax, as restated, attributable to equity shareholders/Weighted average number of equity shares outstanding during the period or year*

(iii) *Diluted Earnings Per Share (Rs.) = Net profit after tax, as restated, attributable to equity shareholders (including dilutive potential equity shares)/ Fully diluted Equity Shares as on date including Bonus Issue of shares.*

## 2. Price Earnings Ratio (P/E) in relation to the Price of Rs. 65/- per Equity Share

Sl. No.	Particulars	Based on basic EPS	Based on diluted EPS
1	P/E ratio for the financial year ended March 31, 2018 at the Issue Price	12.26	12.26
2	Industry P/E	N.A.*	N.A.
A	Highest	N.A.	
B	Lowest		
C	Industry Composite		

\* There are no strictly comparable listed companies engaged in the same line of business as that of our Company. In view of this, comparison of financial data with listed industry peers is not possible.

## 3. Return on Net Worth (RoNW)

Year ended on March 31	RONW %	Weight
2018	17.50%	3
2017*	9.21%	2
2016*	5.72%	1
<b>Weighted Average</b>		<b>12.77%</b>

\*It is to be noted that the figures for FY 2017 and FY 2016 of our Company are prior to integration of group entities' businesses.

Note:

(i) *Return on net worth (%) = Net profit after tax, as restated / Net worth as restated as at period or year end*

(ii) *Net worth = (Paid up equity share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss)*

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

### Based on the Basic EPS

The minimum return on increased net worth required to maintain pre-Issue Basic EPS for the year ended March 31, 2018 is 13.44% at the Issue Price

### Based on the Diluted EPS

The minimum return on increased net worth required to maintain pre-Issue Diluted EPS for the year ended March 31, 2018 is 13.44% at the Issue Price

## 5. Net Asset Value

Net Asset Value per Equity Share as at March 31, 2018 on fully diluted basis	Rs. 30.28 per Equity Share ( <i>considering face value of equity shares of Rs. 10 each</i> )
Issue Price	Rs. 65 per Equity Share
Net Asset Value per Equity Share after the Issue	Rs. 39.42 per Equity Share

Note:

(i) *Net Asset Value per share* = *Net worth as at period/year ended, as restated / Number of equity shares as at period or year end*

(ii) *Net worth* = *(Paid up equity share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss)*

## 6. Comparison with listed industry peers:

There are no strictly comparable listed companies engaged in the same line of business as that of our Company. In view of this, comparison of financial data with listed industry peers is not possible.

## STATEMENT OF TAX BENEFITS

**Statement of Possible Income-Tax Benefits available to Spectrum Electrical Industries Limited and its shareholders**

The Board of Directors  
**Spectrum Electrical Industries Limited**  
 Plot No. V -195,  
 MIDC Area, Ajanta Road,  
 Jalgaon - 425 003  
 Maharashtra

Dear Sirs / Madam

**Subject: Statement of possible income-tax benefits ('the Statement') available to Spectrum Electrical Industries Limited ('the Company') and its shareholders prepared in accordance with the requirement in Schedule VIII - Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ('the Regulations')**

1. We hereby report that the enclosed Statement prepared by the Company, states the possible income-tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), read with the Finance Act, 2018 presently in force in India being the law in force at the time of the Prospectus.
2. The possible tax benefits mentioned in the enclosed Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions of the Act. Hence, the ability of the Company or its shareholders to derive the income-tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives faced in the future, the Company or its shareholders may or may not choose to fulfil.
3. The benefits discussed in the enclosed Statement are not exhaustive. Further, the preparation of the Statement and its contents is the responsibility of management of the Company. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional income-tax advice. In view of the individual nature of the income-tax consequences and changing income-tax provisions, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering consisting of an offer for sale of equity shares by certain shareholders of the Company ('the Proposed Offer'). Neither are we suggesting nor are we advising the investor to invest money based on this Statement.
4. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
5. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these possible tax benefits in the future; or
  - ii) the conditions prescribed for availing the possible tax benefits have been/would be met.
6. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the

business activities and operations of the Company.

7. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the income-tax law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update this Statement consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.
8. The enclosed Statement is intended solely for your information and for inclusion in the Red Herring Prospectus and the Prospectus and any other material in connection with the Proposed Offer and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For S. D. Chopde & Company**

*Chartered Accountants*

ICAI firm registration number: **101577W**

**(Sohan D. Chopde)**

*Partner*

Membership No.: **036208**

Place: **Jalgaon**

Date: **06-08-2018**



**ANNEXURE TO THE STATEMENT OF POSSIBLE INCOME-TAX BENEFITS/CONSEQUENCES IN CASE OF COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME-TAX LAW IN INDIA AND OTHER BENEFITS UNDER RESPECTIVE LAWS/ SCHEMES**

**INCOME TAX**

We hereby report that the enclosed Statement of possible tax benefits available to the Company and its shareholders under the applicable tax laws in India (the "Statement") is in connection with the possible tax benefits available to (i) the Company and, (ii) the shareholders of the Company, under the Income- tax Act, 1961, ('the Act') read with the Finance Act, 2018 presently in force in India, which are applicable from 1 April, 2018. The benefits/ consequences as applicable and relevant for each category (Company and shareholder) are grouped under two separate sections i.e. those applicable to the Company and the shareholders respectively. To the extent that certain provisions may be common to both categories, they may be repetitive.

Further, the notes given at the end of this statement are an integral part of this statement. The provisions specified in this statement are required to be necessarily read along with the notes. The tax rates specified in statement have to be read with note (ii) which specifies the applicable rates of surcharge and cess.

Several of these benefits are dependent on the Company or its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement are not exhaustive. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. Further, the above statement of income-tax benefits/consequences sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential income-tax benefits/consequences of the purchase, ownership and disposal of shares.

In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor are we advising the investor to invest money based on this Statement.

**Benefits/consequences in case of the Company:**

**a) Dividends paid**

- The Company is required to pay Dividend Distribution Tax (DDT) at the rate of 15 percent (before levy of appropriate surcharge and education cess) upon distribution of dividend under section 115- O of the Act. The tax is required to be calculated at the rate of 15 percent of the gross pay out (that is, dividend and tax). As such the effective tax rate works out to 17.65 percent of the net dividend pay-out.

**b) Certain receipts**

- As per the provisions of section 10(34) of the Act, dividend received from a domestic company (on which DDT is paid by the domestic company in accordance with section 115-O of the Act), is exempt from tax for the shareholder.

- Section 14A of the Act restricts claim for deduction of expenses incurred in relation to earning of exempt income. Thus, any expenditure incurred to earn tax exempt income would not be a tax deductible expenditure.
- Income by way of interest payable by public sector companies in respect of bonds or debentures specified by the Central Government is exempt from tax under section 10(15)(iv)(h) of the Act.

### c) Capital gains

- Capital gains arise on disposal of, inter-alia, securities that are held as capital assets. Capital gains arising from the transfer of long-term capital asset are characterized as long-term capital gains ('LTCG'). Conversely, capital gains arising from transfer of short-term capital asset are treated as short-term capital gains ('STCG').

### Period of Holding

- Capital assets are categorized into short-term capital asset and long-term capital asset based on the period of holding of such asset which are as follows:
  - (i) Listed securities (including shares) and units of an equity oriented fund – these are considered long term capital assets if held for more than 12 months; otherwise these would be considered short term capital assets.
  - (ii) Units of non-equity oriented fund and unlisted securities (other than shares)– these are considered long term capital assets if held for more than 36 months; otherwise these would be considered short term capital assets.
  - (iii) Unlisted shares – these would be considered as long term capital assets if held for more than 24 months; otherwise these would be considered short term capital assets

### Tax Rates

- **Listed securities (including shares) and units of an equity oriented fund where STT is payable.**

Under the law presently in force, the LTCG arising on transfer of these securities is exempt, provided such transfer is chargeable to securities transaction tax ('STT'), so also their acquisition, unless the securities have been acquired through a mode, notified as not requiring to fulfil the pre-condition of chargeability to STT.

As per Finance Act, 2018, LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, to be notified as not requiring to fulfil the pre-condition of chargeability to STT.

The LTCG arising from the transfer of such securities shall be calculated without indexation (inflation adjustment).

To provide relief on gains already accrued upto 31 January 2018, suitable adjustment has been proposed for the computation of the cost of acquisition (COA) of securities. The STCG arising on transfer of the above securities are taxable at 15 percent provided STT is chargeable on such transfer.

- **Where STT is not payable**

In case of transfer of these securities without charge of STT, the LTCG is taxable at the rate of 20 percent with indexation. Where such LTCG arises from transfer of listed securities (other than units of an equity oriented mutual fund), there may be an option to pay tax at the rate of 20 percent with indexation or 10 percent without indexation, whichever is more beneficial.

Further, STCG from such transactions is taxable at the general corporate tax rate - currently 30 percent.

- **Units other than equity oriented funds and unlisted securities**

The LTCG arising on transfer of the above securities is taxable at the rate of 20 percent with indexation. The STCG in such cases is taxable at the general corporate tax rate - currently 30 percent.

- **Losses under the head "capital gains"**

Under section 74 of the Act, short-term capital losses incurred during the year are allowed to be set-off against short-term or long-term capital gains of the said year. Balance losses, if any may be carried forward for eight years for claiming set-off against subsequent years' short-term or long-term capital gains. Long-term capital losses incurred during the year are allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

- **Dividend and Bonus Stripping**

1. Section 94(7) of the Act restricts allowance of losses arising from sale/transfer of securities/unit of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of dividend) and such securities are sold within three months or such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale should be ignored to the extent of the amount of dividend or income received/receivable on such securities/units.
2. Section 94(8) of the Act restricts allowance of losses arising from sale/transfer of units of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of bonus units) and such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale/transfer of the original units should be ignored for the purpose of computing taxable income, and further, the amount of loss so ignored may be regarded as the cost of acquisition of the bonus units held on the date of sale/redemption of the original units.

**d) Other provisions**

- Section 80G of the Act allows specified amount of deduction in case of contribution made to certain specified funds or institutions.
- Section 35 of the Act allows specified deduction in computing business profits, inter alia, on account of contributions made to a research association or institution for the purpose of scientific research.
- Provisions of section 56(2)(x) of the Act seek to tax receipt of the sum of money or property (which inter alia includes shares and securities) by any person without consideration or for inadequate consideration in excess of Rs. 50,000, unless specifically exempted (e.g. gift from relative).

- Domestic Companies are taxed at the rate of 30% plus surcharge and cess. However, the Company will enjoy tax benefits in tax rate and will be taxed at the rate of 25% plus applicable surcharge and cess as the turnover or gross receipt of the company does not exceed Rs. 250 crores.

### INDUSTRIAL PROMOTION SCHEME OF GOVERNMENT OF MAHARASHTRA

The Company is eligible subject to fulfilment of conditions specified to enjoying subsidy benefits under Package Scheme of Incentives, 2013 of Government of Maharashtra. The State of Maharashtra has recently declared the new Industrial Policy -2013 to ensure sustained industrial growth through various innovative initiatives so as to further improve the conducive industrial climate in the State and to provide global competitive edge to the industries in the State. The policy envisages grant of fiscal and non-fiscal incentives to the Industrial units with a view to helping the units achieve higher and sustainable economic growth with emphasis on balanced regional development and employment generation through greater Private and Public Investment in industrial sector. It is therefore necessary to amend the Package Scheme of Incentives-2007, in the light of the Industrial Policy-2013 and introduce a new "Package Scheme of Incentives 2013", containing details of eligibility criteria, quantum of incentives and monitoring mechanism for administering the incentives during the period up to the 31st March, 2018.

For the purposes of the PSI- 2013, detailed taluka wise classification of different areas of the State is done as Group, A /B/ C/ D/ D + etc., on the basis of their level of industrial development where -

- Group A: Denotes Industrially developed areas
- Group B: Denotes Areas where some industrial development has taken place, but are less developed than the areas under Group A.
- Group C: Denotes Areas, which are less developed than those covered under Group B.
- Group D: Denotes the lesser-developed areas of the State, not covered under Group A/ Group B/ Group C.
- Group D+: Denotes the least developed areas, not covered under Group A/Group B/Group C/Group D.
- No Industry District: Denotes District having no industries and not covered under Group A / B/ C/ D & D+.
- Naxalism Affected Area: Denotes Area affected by naxalism, as described in GR No NAVIKA-2008/C.R. 209/Ka. 1416 Dated 31.5.2009 (Annexure II)

Enterprises are categorised under following three categories and eligible for benefits as per the classification: -

#### **(i) Micro, Small and Medium Manufacturing Enterprises(MSMEs) :-**

MSMEs shall be construed as per their definition in the Micro, Small and Medium Enterprises Development Act, 2006. (MSMED Act, 2006)

#### **(ii) Large Scale Units:-**

Industrial Units, having investment more than the Medium Manufacturing Enterprises as defined under the MSMED Act, 2006, but less than the Mega Projects defined below, shall be classified as Large Scale Units (LSI).

**(iii) Mega Projects/ Ultra Mega Projects: -** Industrial Units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment prescribed in the following table shall be classified as Mega Projects/ Ultra Mega Projects.

**Benefits:**

Existing/New Micro, Small and Medium Manufacturing Enterprises, LSI (including Manufacturing IT/BT) Units, qualifying as Expansion/Diversification Units, will also be eligible to get the Incentives for Expansion /Diversification, equivalent to 75% of the incentives admissible for New Units. The eligibility period for availing of the incentives will however be reduced by one year in case of Expansion/Diversification Units.

All eligible new Micro, Small and Medium Manufacturing Enterprises in areas other than Group "A" will be eligible for interest subsidy. The Interest Subsidy will be payable only on the interest actually paid to the Banks and Public Financial Institutions on the amount of term loans taken for acquisition of Fixed Assets. The amount of interest subsidy will be calculated @ effective rate of interest, after deducting the interest subsidy receivable from any institution or under any Govt. of India Scheme and the penal/compound interest or 5 % per annum, whichever is less. The quantum of interest subsidy payable every year will not exceed the bills paid for electricity consumed during the relevant year

All Eligible New Units in Group C, D, and D+ areas and No-Industry District(s) and Naxalism affected Area will be exempted from payment of Electricity Duty during eligibility period not exceeding 15 years. In Group A and B areas, 100% Export Oriented Government Resolution No.: PSI -2013/ (CR- 54 )/IND-8 Units (EOUs), Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for a period of 7 Years. Necessary Notification under the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.

New Units as well as Units undertaking Expansion/ Diversification (including Mega and Ultra Mega Projects) will be exempted from payment of Stamp duty during the Investment period in Group "C, D, D+ Talukas, No Industry Districts and Naxalism affected areas. However, in Group A and B areas, stamp duty exemption would be available as given below:

- BT Manufacturing and IT Manufacturing Units in Public Parks: 100%
- BT Manufacturing and IT Manufacturing Units in Private Parks: 75%
- Mega Projects - 50% for first conveyance deed only

Eligible New Micro, Small and Medium Enterprises (MSME) will be eligible for power tariff subsidy. The subsidy will be to the tune of Rs 1/- per unit for the Units located in Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region and Rs 0.50 per unit for the Units in other areas of the State for a period of 3 years from the date of commencement of commercial production, for the energy consumed and paid. The Units in Group "A" areas will however not be eligible for this incentive.

The followings incentives shall be admissible to the MSMEs and LSIs so as to promote Quality Competitiveness, Research & Development, Technology Upgradation, Water & Energy Conservation, Cleaner Production Measures and Credit Rating –

- a. New MSMEs and Expansion thereof in all categories of areas will be eligible for following incentives - Government Resolution No.: PSI -2013/(CR- 54 )/IND-8 :
  - i. 5% subsidy on capital equipment for Technology Up -gradation, subject to a maximum of Rs.25 lacs
  - ii. (ii) 75 % subsidy on the expenses incurred on quality certification limited to Rs. 1 Lakh.
  - iii. (iii) 25% subsidy on capital equipment for cleaner production measures, limited to Rs.5 Lakhs
  - iv. (iv) 75 % subsidy on the expenses incurred on patent registration limited to Rs. 10 Lakh for the

National patents and Rs. 20 lakh for the International patents.

- b. Incentives for Credit Rating of MSMEs in all categories of areas - 75% of the cost of carrying out Credit Rating by Small Industries Development Bank of India/ Government accredited Credit Rating Agency, limited to Rs. 40,000.
- c. New MSMEs, LSI and Expansion thereof will be eligible for the following incentives in all categories of areas –
  - i. 75% of cost of water audit limited to Rs. 1.00 lakh.
  - ii. 75% of cost of energy audit limited to Rs. 2.00 lakh.
  - iii. 50% of the cost of Capital Equipment under the measures to conserve/recycle water, limited to Rs. 5 lakh
  - iv. 50% of the cost of Capital Equipment for improving energy Efficiency, limited to Rs. 5 lakh.

**Period:**

The amount of incentives to be disbursed to the MSMEs and LSI Units every year will be limited to the total quantum of incentives divided by the number of years as per the applicable Eligibility period with the provision of carrying forward the differential between the actual sanctioned amount for a given year and the yearly disbursement limit.

New MSME/LSI Units will eligible for a basket of incentives mentioned above. The total quantum of which will be linked to the Fixed Capital Investment. The total quantum of incentives and the Eligibility Period, will be as under: -

Taluka /Area	Ceiling as % of Fixed Capital Investment		No. of Years	
	Micro, Small & Medium Enterprises	LSI	Micro, Small & Medium Enterprises	LSI
A	---	---	7	7
B	20	---	7	7
C	40	30	7	7
D	70	40	10	7
D+	80	50	10	7
No Industry District	90	70	10	7
Naxalism Affected Area	100	80	10	7

The amount of incentives to be disbursed to the MSMEs and LSI Units every year will be limited to the total quantum of incentives divided by the number of years as per the applicable Eligibility period with the provision of carrying forward the differential between the actual sanctioned amount for a given year and the yearly disbursement limit.

Company has been issued eligibility certificate by Directorate of Industries, Government of Maharashtra under PSI 2013 for a total admissible amount of incentives of Rs. 1,955.01 Lakhs and the validity period of this eligibility certificate is from 01.04.2016 to 31.03.2026.

The eligible unit claiming benefits under Expansion / Diversification shall be required to maintain separate record of production for such expansion. In case, however, maintaining separate record is not possible, the benefits for such eligible units shall be available in the ratio of additional fixed capital investment to the total gross fixed capital investment. There will no limit of number of expansions/diversifications in the Scheme period.

For more details on the scheme its applicability, eligibility condition, implementing agency, claim



period, monitoring etc. kindly refer to the PSI 2013 scheme document and relevant circulars issued by the Government of Maharashtra from time to time.

### Benefits/consequences in case of the Shareholders - General

#### a) Dividend income

- Dividend (both interim and final) paid by the Company attracts DDT in the hands of the Company under section 115-O of the Act. It is exempt from tax in the hands of the shareholder.
- However, section 115BBDA of the Act provides that the aggregate of dividends received by specified taxpayers (except domestic company and certain funds, trusts, institutions) in excess of INR 10 lakh is taxable at the rate of 10 percent on a gross basis, and no deduction will be available for any expenditure.
- Section 14A of the Act restricts claim for deduction of expenses incurred in relation to earning of exempt income (here, dividend income).

#### b) Characterization of gains from transfer of shares

- The characterization of the gains/losses, arising from sale/transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

#### c) Capital Gains-general

##### *Long term and short term capital gains*

- Capital assets are categorized into short-term capital asset and long-term capital asset based on the period of holding of such asset. Equity shares listed on a recognized stock exchange in India held by an assessee for more than 12 months immediately preceding the date of transfer are considered as long-term capital asset whereas if such shares are held for 12 months or less are regarded as short-term capital asset. Capital gains arising from the transfer of long-term capital asset are characterized as LTCG. Capital gains arising from transfer of short-term capital asset are treated as STCG.

##### *Deductions in computing capital gains*

- In terms of section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of the consideration:
  - a) Cost of acquisition of shares; and
  - b) Expenditure incurred wholly and exclusively in connection with transfer of shares

##### *Dividend and Bonus Stripping*

- Section 94(7) of the Act restricts allowance of losses arising from sale/transfer of securities/unit of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of dividend) and such securities are sold within three months or such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale should be ignored to the extent of the amount of dividend or income received/receivable on such securities/units.
- Section 94(8) of the Act restricts allowance of losses arising from sale/transfer of units of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of bonus units) and such units are sold within 9 months



after such record date. In such cases, the loss (if any) arising from such sale/transfer of the original units should be ignored for the purpose of computing taxable income, and further, the amount of loss so ignored may be regarded as the cost of acquisition of the bonus units held on the date of sale/redemption of the original units.

#### *Exemptions on reinvestment*

- Exemptions may be claimed from taxation of LTCG or STCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions. The following exemptions may be available to the shareholders:
  - I. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lacs are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.
  - II. Section 54F of the Act exempts long-term capital gains on transfer of shares, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines.

#### *Set-off and carry forward of losses*

- As per section 74 of the Act, short-term capital losses incurred during the year are allowed to be set-off against short-term or long-term capital gains of the said year. Balance losses, if any may be carried forward for eight years for claiming set-off against subsequent years’ short-term or long- term capital gains. Long-term capital losses incurred during the year are allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year’s long-term capital gains.

#### *STT*

- STT is a tax payable on the value of specified securities (such as shares, certain derivatives or equity oriented mutual fund) transacted on a recognized stock exchange. STT is not allowed as a deduction while computing income from capital gains.

#### *Tax Rates*

- The LTCG arising upto 31 March 2018 on transfer of listed shares is exempt provided such transfer is chargeable to STT, as also the acquisition of such shares, if such acquisition is after 1 October 2004.
- As per Finance Act, 2018, LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, to be notified as not requiring to fulfil the pre- condition of chargeability to STT.
- The LTCG arising from the transfer of such securities shall be calculated without indexation (inflation adjustment).

To provide grandfathering/ relief on long term gains arising on sale of listed shares that were acquired originally as unlisted shares upto 31 January 2018, an indexation mechanism has been provided.

Under this mechanism, where sale consideration is higher than the indexed COA (Cost Of Acquisition), the COA would be substituted with the indexed COA and capital gains will be computed accordingly.

Where sale consideration is higher than the COA but not higher than the indexed COA, the sale consideration is deemed as the COA, such that the gains would be neutralized.

This benefit is available in the following cases:

- equity shares, not listed as on 31 January 2018 but listed on the date of transfer; and
  - equity shares listed on the date of transfer but acquired in consideration of shares not listed on 31 January 2018 through tax neutral modes of transfer (e.g. amalgamation, demerger)
- In the context of the exempt LTCG regime upto 31 March 2018, CBDT had notified cases of acquisition of shares (e.g. acquisition under employee stock option or purchase schemes framed under the SEBI (ESOPs and ESPs) Guidelines, 1999; acquisition approved by the Courts, NCLT, SEBI or RBI; acquisition by any non-resident as per FDI guidelines) for which the pre-condition of chargeability to STT would not be applicable and yet the LTCG on transfer of the listed shares would stand exempted. A similar notification is expected to be rolled out in the context of the aforesaid new LTCG regime to be applicable from 1 April 2018.
  - The STCG arising on transfer of listed shares are taxable at 15 percent provided STT is chargeable on such transfer.

#### *Minimum Alternative Tax ('MAT')*

- MAT may apply where the income-tax payable by a company under the regular tax provisions is less than 18.5 percent of the "book profit" (calculated as per the provisions of section 115JB). In such cases, there would be an obligation to pay MAT at the rate of 18.5 percent of such book profit in lieu of regular income tax. Provisions allow the credit for such MAT against taxes payable in subsequent 15 years. In computing such book profits, exempt LTCG on listed equity shares and units of equity oriented fund will have to be factored in.

#### *Alternative Minimum Tax ('AMT')*

- AMT may apply where the income-tax payable by the shareholder (other than companies) under the regular tax provisions is less than 18.5 percent of the "adjusted total income" (being the total income before giving effect to certain deductions to be calculated under section 115JC). In such cases, there would be an obligation to pay AMT at the rate of 18.5 percent of such adjusted total income in lieu of regular income tax. Provisions allow the credit for such AMT against taxes payable in subsequent 15 years.

#### *Buy Back*

- Income arising to a shareholder on account of buy back of shares (not being listed on a recognized stock exchange) by a company will be tax exempt under section 10(34A) of the Act. In such cases, the company buying back the shares is liable to pay additional tax at the rate of 20 percent on distributed income being difference between consideration and the amount received by the company for issue of shares.

Further provisions applicable to specific category of shareholders are discussed below:

#### d) Capital gain – Resident shareholders

- In case of transfer of listed shares which are not chargeable to STT, LTCG is taxable at the rate of 20 percent with indexation (inflation adjustment) or 10 percent without indexation

whichever is more beneficial. The STCG arising in case of transfer of shares which are not chargeable to STT is taxable at the general corporate tax rate - currently 30 percent for domestic companies and as per slab rate in case of resident shareholders other than domestic companies.

- No withholding tax/ tax deduction at source is applicable on income arising by way of capital gains to a resident shareholder on transfer of shares of an Indian company.
- As per section 80C of the Act, individuals are allowed a deduction (up to a specified limit) against taxable income in respect of investments made in certain specified instruments.
- As per provisions of section 80G of the Act, specified amount of deduction is allowed in case of contribution made to certain specified funds or institutions.

e) Foreign Portfolio Investors (FPI) (earlier known as 'Foreign Institutional Investor')

- As per section 2(14) of the Act, securities held by a FPI registered in accordance with the SEBI Regulations for FPIs would be in the nature of "capital asset". Consequently, the income arising to a FPI from transactions in securities are treated as capital gains.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities would be taxable as follows:

Nature of income	Rate of tax (percent)
LTCG on sale of equity shares subject to STT	10*
LTCG on sale of equity shares not subject to STT	10
STCG on sale of equity shares subject to STT	15
STCG on sale of equity shares not subject to STT	30

- \*As per Finance Act, 2018, LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, notified as not requiring to fulfil the pre-condition of chargeability to STT.
- As per section 196D of the Act, any income, by way of capital gains arising to the FPI from transfer of securities is not subject to withholding tax/ tax deduction at source in section 115AD of the Act. Tax, if any, would be required to be discharged by the concerned FPI prior to making the remittance of the proceeds out of India.
- It has been clarified to the effect that provisions of MAT do not apply to FPIs that do not have a permanent establishment or place of business in India.

f) Special provisions for NRIs

A special scheme of taxation applies in case of Non-Resident Indian ('NRI') in respect of income/LTCG from investment in "specified foreign exchange assets" as defined under Chapter XII- A of the Act.

Key provisions of the scheme are as under:

- NRI is defined to mean an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents

or any of his grandparents, were born in undivided India.

- Key tax implications are:

Section	Provision
115E	LTCG [not covered under section 10(38)] in respect of a specified asset (which <i>inter alia</i> includes shares of an Indian company) is taxable at 10 percent
115F	LTCG [not covered under section 10(38)] arising on transfer of a foreign exchange asset is tax exempt if the net consideration from such transfer is <u>reinvested</u> in specified assets or in savings certificates referred to in section 10(4B) of the Act subject to the conditions prescribed therein

- In terms of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long-term capital gains or both, provided adequate tax has been deducted at source from such income.
- Section 115H of the Act specifies that when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year to the effect that the scheme of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets (which do not include shares in an Indian company) for that year and subsequent assessment years until such assets are transferred or converted into money.
- Section 115-I of the Act allows NRIs to elect not to be governed by the scheme for any assessment year by furnishing their return of income for that year under section 139 of the Act and declaring the choice made in such return and accordingly they would be taxed in that assessment year in accordance with the regular tax provisions.

g) Non-resident shareholders (other than FPIs and NRIs)

- In case of a non-resident shareholder, the first proviso to section 48 of the Act allows the capital gains arising from the transfer of listed equity shares of an Indian Company to be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed should be reconverted into Indian currency. However, the benefit of indexation (as provided in second proviso to Section 48) is not available to non-resident shareholders.
- As per provisions of section 80G of the Act, specified amount of deduction is allowed in case of contribution made to certain specified funds or institutions.
- It has been clarified that MAT provisions do not apply to a foreign company that does not have a permanent establishment/ place of business.

h) Additional tax benefits/consequences for non-resident shareholders

- *Treaty benefit*

Section 90(2) of the Act allows non-resident shareholders to opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement ('DTAA') or tax treaty

entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial subject to fulfillment of conditions.

Further, any income by way of capital gains payable to non-residents [other than capital gains payable to an FPI] may be subject to withholding tax in accordance with the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident unless such non-resident has obtained a lower withholding tax certificate from the tax authorities.

- *Indirect Transfer Provisions*

Section 9 of the Act seeks to charge tax in various cases where income may be deemed to accrue or arise in India. Included in the list is the case of indirect transfer of capital assets in India through transfer of any share or interest in any company or entity outside India.

In response to concerns raised by stakeholders that the provisions resulted in multiple-taxation, it has been clarified that the indirect transfer provisions shall not apply to investment held by any non-resident, directly or indirectly, in a Foreign Institutional Investor and registered as Category-I or Category-II FPI under the SEBI Act, 1992.

- *PAN/ tax documents*

The withholding tax rates are subject to the recipients of income obtaining and furnishing a permanent account number (PAN) to the payer, in the absence of which the applicable withholding tax rate would be the higher of the applicable rates or 20%, under section 206AA of the Act. The requirement to furnish PAN will not apply if the non-resident shareholder furnishes prescribed documents to the payer.

As per Finance Act, 2018, resident non-individuals entering into financial transactions of an amount aggregating to two lakh and fifty thousand rupees or more in a financial year shall be required to apply for allotment of PAN. Further, the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer or any person competent to act on behalf of such entities shall also be required to apply for allotment of PAN.

i) Benefits available to Investment Funds

- Investment funds being Category I and Category II Alternative Investment Funds (AIF) registered under the SEBI AIF Regulations have been accorded a pass through status under the Act. Accordingly, income of such investment funds other than income chargeable under the head “Profits and gains of business or profession” should be exempt from income tax as per section 10(23FBA).
- However, income (other than income chargeable under the head “Profits and gains of business or profession”) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him.
- The taxable income of an Investment Fund would be charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm or at maximum marginal rate in any other case.
- Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

- There is no specific exemption provided under the Act for the income earned by the Category III AIF. The taxability depends on the status of the Fund. In case the Fund is set-up as a 'Trust', the principles of trust taxation should apply based on the nature of the trust.

j) Benefits available to Mutual Funds

- In terms of section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under SEBI Act or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including all incomes and gains arising from investment in/ transfer of the shares of the Company.
- However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of section 115R of the Act.
- As per section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified under section 10(23D) of the Act.

Others

**General Anti-Avoidance Rule ('GAAR):**

- GAAR is a set of anti-tax abuse provisions in the Act that give wide powers to the income-tax authorities in a manner that may override regular tax provisions. GAAR may be invoked in case any arrangements are found to be "impermissible avoidance arrangements". A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned elements:
  - (1) The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
  - (2) It results in directly / indirectly misuse or abuse of the Act;
  - (3) It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
  - (4) It is entered into or carried out in a manner, which is not normally employed for bona fide purposes.

The provisions of GAAR are applicable with effect from financial year 2017-18 and onwards.

**Wealth Tax and Gift tax**

- The Finance Act, 2015 has abolished the levy of wealth tax with effect from 1 April 2016.
- Provisions of section 56(2)(x) of the Act seek to tax receipt of the sum of money or the property (which inter alia includes shares and securities) by any person without consideration or for inadequate consideration in excess of Rs. 50,000, unless specifically exempted (e.g. gift from relative).

**Notes:**

- (i) All the above income-tax benefits/consequences are as per the current Indian income-tax law relevant for Assessment Year 2018-19 which corresponds to the financial year ending 31 March 2018 (considering the amendments made by Finance Act, 2017) and key tax amendment proposals included in the Bill. The income-tax law is subject to change from time to time.
- (ii) All tax rates stated above would have to be increased by applicable surcharge and cess calculated on tax plus surcharge.

As per the Finance Act, 2018 surcharge is to be levied as under:

- (a) In the case of individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person, where his income exceeds Rs. fifty lakhs but does not exceed Rs. one crore, a surcharge at 10 percent of tax liability is payable and when such income exceeds Rs. one crore, surcharge at 15 percent of tax is payable.
- (b) In case of firms, where income exceeds Rs. one crore, a surcharge at 12 percent of tax is payable.
- (c) In case of domestic company, where its income exceeds Rs. one crore but does not exceed Rs. ten crores, a surcharge at the rate of 7 percent of tax liability is payable and when such income exceeds Rs. ten crores, surcharge at 12 percent of tax is payable.
- (d) In case of companies other than domestic companies, where the income exceeds Rs. one crore but does not exceed Rs. ten crores, a surcharge of 2 percent of such tax liability is payable and when such income exceeds Rs. ten crores, surcharge at 5 percent of tax is payable.
- (e) In case of tax under sections 115-O and 115-R of the Act, surcharge of 12 percent of the tax liability is payable

Effective 1 April 2018, 'Health and Education cess' at the rate of 4 percent on the income tax (including surcharge) is applicable.

- (iii) This statement sets out the position as per the Act as amended by the Finance Act, 2018. This position of law and its interpretation is subject to change from time to time. Further, no assurance is given that the revenue authorities/courts will concur with the views expressed herein.
- (iv) The above statement covers only certain relevant income-tax benefits/consequences under the Act and does not cover benefits/consequences under any other law.
- (v) The stated income-tax benefits/consequences will be available only to the sole/first named holder in case the shares are held by joint holders.



## SECTION IV – OUR COMPANY

## INDUSTRY OVERVIEW

*The information in this section is derived from industry sources and government publications. None of the company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current of reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

**Global Economic Outlook**

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to the current level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

Source:

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

## Indian Economic Overview

Growth is increasing, making India the fastest-growing G20 economy. Investment and exports, supported by the smoother implementation of the new goods and services tax (GST), are becoming major growth engines. Inflation will hover within the target band, with upside risks reflecting rising oil prices and an increase in housing allowance for public employees. The current account deficit will increase. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities.

Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the best projects and avoiding a new increase in non-performing loans. Investing more in education and training, combined with a modernisation of labour laws, would help create better jobs and make growth more inclusive.

### **The economy is rebounding after the transitory negative impacts of demonetisation and GST**

Reforms are gradually paying off, as confirmed by the recovery in industrial production and investment after several weak years. With capacity utilisation rising, corporate earnings recovering and the recapitalisation of public banks, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetisation. However, a recovery is underway as suggested by the recent rebound in two-wheelers sales and other vehicles. The number of employees eligible for social security benefits has been boosted by an amnesty scheme for companies, but still stands below 10% of total employees. Employment data are partial but suggest that overall job creation has been lacklustre.

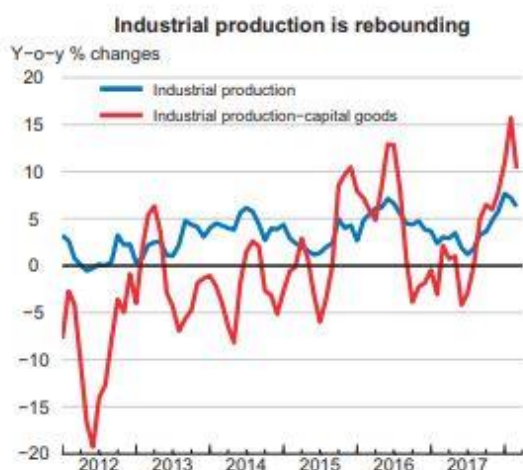
The drag on growth from exports is vanishing as foreign demand is rising and procedures to comply with the new GST have been adjusted to ease liquidity constraints faced by exporters. Pressures on the current account deficit are stemming from the rapid increase in imports, accompanying the recovery in import-intensive investment, and oil prices. Core inflation is slightly above target, but relatively stable despite large price shocks associated with demonetisation and the GST implementation.

### **Growth is projected to accelerate**

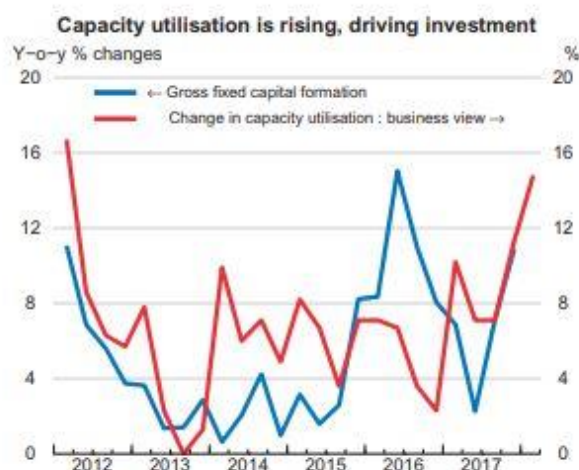
Growth will be supported by an acceleration in private investment as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. Exports will strengthen thanks to competitiveness gains resulting from the implementation of the GST. Higher agricultural prices will raise rural incomes and consumption but put pressures on the fiscal deficit. Delays in cleaning banks' balance sheets would risk weighing on investment, as would a faster-than-projected increase in interest rates in OECD countries. An increase in commodity prices would create pressures on inflation, the current account and the fiscal deficit while depressing private consumption. On the other hand, the modernisation of labour laws at the central government or state levels would promote job creation and make growth more inclusive.

Below graph describes the recovering trend in various parameters used for tracking economics of country:

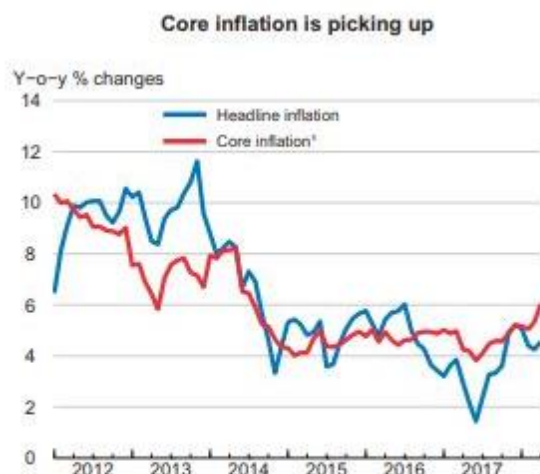
## India



Source: Central Statistics Office; and Reserve Bank of India.

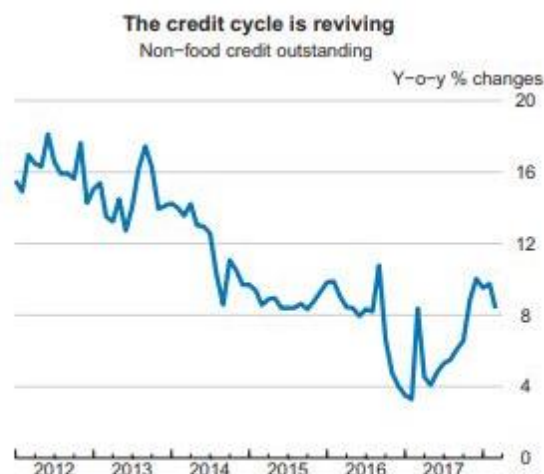


StatLink  <http://dx.doi.org/10.1787/888933730104>



1. Excludes food, beverage and fuel prices.

Source: Central Statistics Office; and Reserve Bank of India.



StatLink  <http://dx.doi.org/10.1787/888933730123>

Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook.pdf>

**The baseline projects private consumption to remain a primary driver of growth; investment to pick up moderately;**

Under the baseline scenario, private consumption is expected to average at about 7.9 percent growth during 2017-18 to 2019-20. According to the consumer confidence survey conducted by the Reserve Bank of India, the future expectations for increased spending rose by 12 percent between November 2016 and November 2017, reflecting greater optimism of households and willingness to spend over the coming year. The growth projections are based on the assumption that investment growth will accelerate gradually to 6.7 percent in 2019-20. Pick-up in private investments going forward will depend on relieving the structural constraints such as stresses on the financial sector and, continued implementation of reforms to improve the investment climate.

**Economic growth is projected to resume gradual acceleration and converge to potential growth rate in coming years.**

GDP growth was disrupted in the last two quarters of 2016-17 and the first quarter of 2017-18 due to demonetization and adjustment to the implementation of GST. The activity has begun to stabilize and the economy is poised to resume gradual acceleration toward the trend growth rate in the years ahead. GDP growth is projected to be 6.7 percent in 2017-18 and accelerate to 7.3 percent and 7.5 percent respectively in 2018-19 and 2019-20. As highlighted in Part 1 of the report, acceleration to rates higher than this on a sustained basis will depend on recovery in two important and lagging engines of growth – private investments and exports; on recovery in credit growth; and will likely require continued support from the global economy as well as decisive progress on the unfinished reform agenda.

**Economy will converge to potential in the medium term.**

Recent disruptions to growth resulted in a large negative deviation from potential GDP. While data constraints make it difficult to calculate India's potential GDP with precision, we estimate potential GDP growth to converge to about 7.2 percent in the medium-term assuming a meaningful and sustainable pickup in investments as in the baseline scenario. Total Factor Productivity (TFP) remains the largest contributor to potential growth, but rising investment levels are expected to drive the modest acceleration in the medium term. Achieving a higher potential would require productivity enhancements, a larger pickup in investment, and an increase in women's participation in the labor force as India's labor force is short of its potential given the large gender gap in economic participation.

Source: <https://www.worldbank.org/en/news/feature/2018/03/14/india-development-update>

**Demand for Electrical equipment is driven by Infrastructure development & growth in Real Estate**

Electrical equipment manufactured by our Company are used for transmission and distribution at commercial level and demand generated is directly proportional to growth of real estate and infrastructure sector. Real Estate & Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Real Estate & Infrastructure creates lots of demand for products from non-core industries, like plastic sheets, steel wire, electrical equipment, engineering equipment's and many more.

**Investments / Developments**

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private equity investments in real estate are estimated to grow to US\$ 100 billion by 2026 with tier 1 and 2 cities being the prime beneficiaries. India stood third in the US Green Building Council's (USGBC) ranking of the top 10 countries for Leadership in Energy and Environmental Design (LEED) certified buildings, with over 752 LEED-certified projects across 20.28 million gross square meters of space. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.67 billion in the period April 2000-December 2017.

Some of the major investments in this sector are as follows:

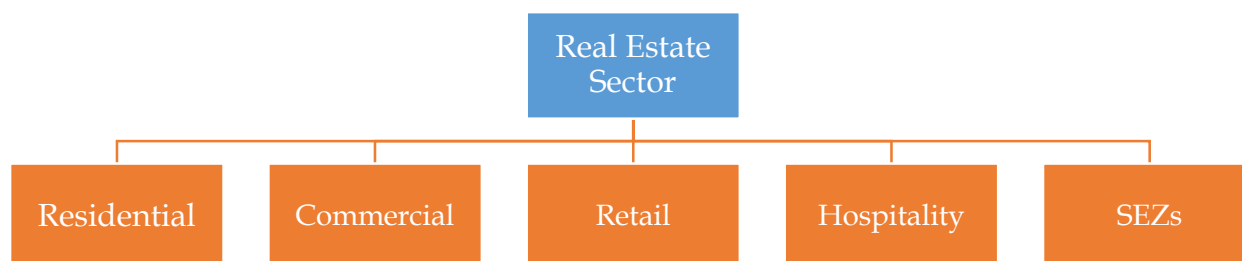
- In February 2018, DLF bought 11.76 acres of land for Rs 15 billion (US\$ 231.7 million) for its expansion in Gurugram, Haryana.
- In February 2018, Japanese conglomerate Sumitomo Corporation announced its US\$ 2 billion partnership with Krishna Group to develop real estate projects in the country.
- KKR India Asset Finance Pvt Ltd has invested over US\$ 500 million in residential real estate projects in India in 2017, taking its total investments in real estate projects in India to US\$ 1 billion.

### Government Initiatives

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US\$ 9.27 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

### Segments in the Real Estate Sector



## Residential Sector

Residential Sector is a localized and fragmented market with presence of few Pan India developers. Rise in Residential sector has been mainly attributable to following factors:

- Rapid Urbanization
- Growth in Population
- Rise in no. of nuclear families
- Easy availability of finance
- Repatriation of NRI and HNIs
- Rise in disposable income

*HIG: High Income Group*

*MIG: Medium Income Group*

*LIG: Low Income Group*

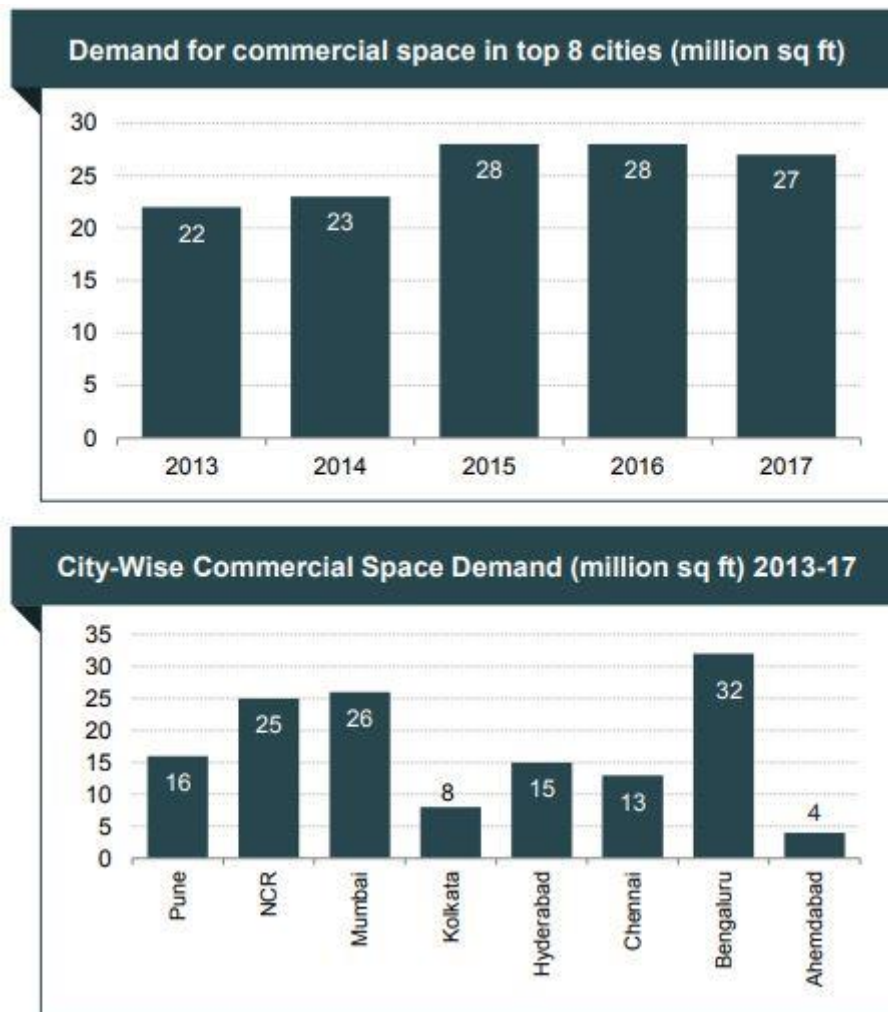


## Commercial Sector

Commercial Sector is dominated by large developers with Pan India presence whereby the operating model has shifted from sales to lease and maintenance. Rise in commercial sector growth is mainly attributable to following:

- Rapid growth in service sectors: IT/ITeS, BFSI and Telecom
- Rising demand from MNCs
- Demand of offices in Tier 2 cities

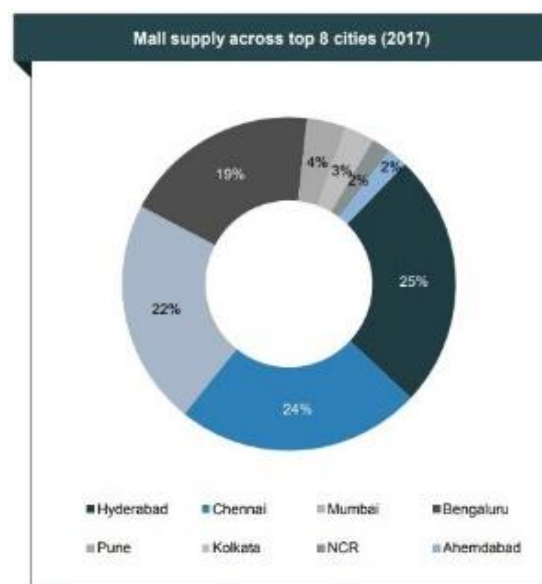




### Retail Sector

At present, retail sector accounts for small portion of Indian real estate market. Organised retail spaces are few and is mostly developed by residential/office developers. Growth in retail real estate sector is attributable to:

- Booming Consumerism in India
- Entry of MNC retailers

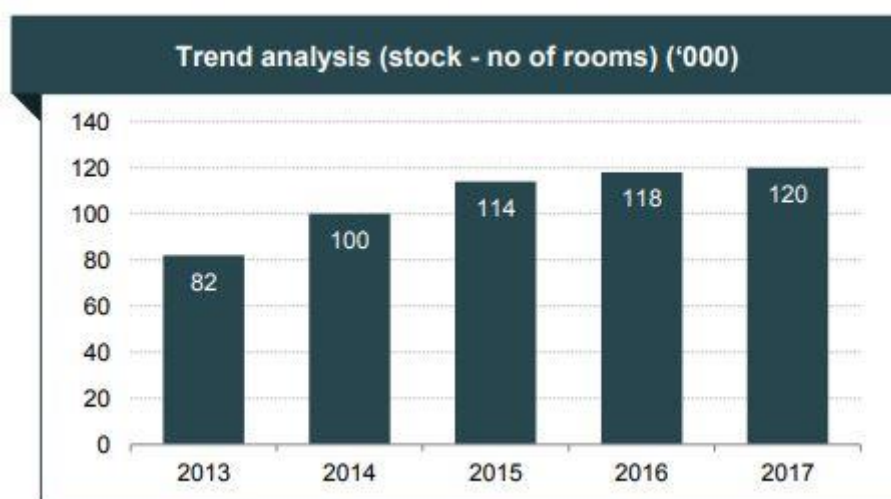




## Hospitality Sector

NCR and Mumbai are the biggest hospitality markets in India, followed by Bengaluru, Hyderabad and Chennai. Besides hotels, hospitality market comprises of service apartments and convention centres. Key drivers for the growth in hospitality sectors are as follows:

- Robust economic tourism industry
- Increasingly global nature of Indian businesses and boosting business travel
- Expansion of physical infrastructure during the 12<sup>th</sup> Five Year Plan.
- Government initiatives to promote tourism in Tier II and Tier III cities.



<https://www.ibef.org/download/Real-Estate-Report-April-2018.pdf>

## Special Economic Zone Sector

A special economic zone (SEZ) is a geographical region that has economic laws that are more liberal than a country's domestic economic laws. India has specific laws for its SEZs.

The category 'SEZ' covers a broad range of more specific zone types, including Free Trade Zones (FTZ), Export processing zones (EPZ), Free Zones (FZ), Industrial Estates (IE), Free ports, Urban Enterprise Zones and others. Following table gives a snapshot of the SEZ in India:

No. of formal approvals (As on 31.01.2018)	423
No. of notified SEZs (As on 31.01.2018)	357
No. of In - Principle Approval (As on 31.01.2018)	31
Operational SEZs (As on 30.09.2017)	221
Units Approved in SEZs (As on 30.09.2017)	4,765

[http://sezindia.nic.in/upload/uploadfiles/files/factsheet\(2\).pdf](http://sezindia.nic.in/upload/uploadfiles/files/factsheet(2).pdf)

## Future Prospects of the Products offered by the Company

Our Company is engaged in manufacturing of various electrical components catering to residential as well as commercial demands. Some of the major products and future prospects of our products are as follows:

### 1. Distribution Boxes / Boards

We manufacture outer casing for a range of distribution boards for our clients like Anchor, ABB, Indotop, Goldmedal etc. Distribution boards are also known as panel board, breaker panel or electric panel and are a part of electric supply system that divides an electric power feed into subsidiary circuits, while providing a protective fuse or a circuit breaker in a common enclosure.

The global distribution boards market is estimated to record a market size of USD 4.33 Billion in 2016, and is projected to grow at a CAGR of 6.4% from 2016 to 2021, to reach USD 5.91 Billion by 2021. Market growth is driven by factors such as the growing need to protect electrical components and networks, increasing global electricity demand, subsequent investments in renewable power plants, and increasing construction and infrastructural activities across the globe.

<https://www.marketsandmarkets.com/Market-Reports/distribution-board-market-10103490.html>

The Distribution Boards, by virtue of being a functionally integral part of any distribution system have vast opportunities of demand. India is a developing country with a fast growing population and the economic growth of the country and the demand for any essential item grows as a function of population. Electrical power demand also grows as a function of population and commensurately the infrastructural requirement in the power sector grows.

### 2. Air Conditioner Box

We are also into manufacturing of AC Box for clients like Anchor and Goldmedal.

According to the “India Air Conditioner Market Outlook 2022” report, air conditioner sales are expected to grow with a CAGR of more than 10% over next four years.

Consumer durables are one of the fastest growing industry segments in India. Air conditioners are basically used to manage temperature and humidity efficiently. These systems are installed in commercial buildings, IT parks, hotels, restaurants, manufacturing industries, retail outlets and residential buildings for enhanced lifestyle comfort.

With the continuous inflow of disposable income and the advancement of technology, the need for the varied consumer durable goods are on a rise. This in turn has led to a strong competition between different consumer durable brands as well as the price gap between the same consumer goods of different companies are also narrowing down.

India is one of the major developing countries with huge middle class population base and rising per capita income. In comparison to other developing countries, the market penetration

of air conditioners is still very low in India, which in turn provides a huge opportunity to players.

AC Box is an integral part of AC installation. With the expected increase in the demand and installation of Air conditioners across residential and commercial segments, demand for AC Box is expected to increase in similar proportion.

<https://www.prnewswire.com/news-releases/india-air-conditioner-market-outlook-to-2022---market-penetration-of-air-conditioners-is-still-very-low-300584071.html>

### **3. Modular Electric Board Panels**

Modular electric board panels are the latest trend in electrical components industry which are designed to accommodate variety of components like 3 Pin Plug, switches, socket outlets, fan regulators, RJ 11 Jack Plate, Co-axial antennae sockets etc in a single plate.

We manufacture these panels for our clients like Legrand and Anchor -Panasonic. Modular electric board panel is a consumer level product and demand for such product is directly proportional to the rise in consumer needs. With the increase in per capital income and the desire to have a high standard of living, new residential and commercial establishments as well as upgradation by existing establishments is leading to a huge demand for these products.

## BUSINESS OVERVIEW

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” on page 9 for a discussion of the risks and uncertainties related to those statements and also the sections titled “Risk Factors” on page 12, “Restated Financial Information” on page 170 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 204 for a discussion on certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our financial year ends on March 31 of each year, so all references to a particular financial year/ Fiscal are to the twelve-month period ended March 31 of that year.*

### OVERVIEW

We are an ISO 9001:2015 certified company, engaged in the business of designing and manufacturing of electrical, automobile and irrigation components as contract manufacturers and as component suppliers to leading industry players on Business-to-Business (B2B) model.

Our focus has been on providing one-stop-shop solutions mainly to manufacturers of electrical products and components in India. We offer integrated design and manufacturing solutions for local and internationally recognised brands in the electrical products industry. We have developed ability to manufacture most of these products from the concept and design stage up to the final delivery to the customer’s distribution network thereby covering the entire value chain.

We offer end-to-end product solutions to our customers under the B2B model wherein we provide services ranging from global sourcing, manufacturing, quality testing and packaging to logistics. We also offer products in the intermediate stages to many of our customers.

Over last two decades, we have gained invaluable experience in assisting our customers develop new designs, incorporating latest technologies and efficiently utilising our manufacturing facilities, equipment and materials and thereby constantly improving our product offerings, structure and functional design so as to meet our customers’ needs.

We undertake manufacture and supply of finished products and intermediate-stage products for our customers on contract basis depending upon the demand from them.

Our manufacturing unit(s) are located at Jalgaon & Nashik in Maharashtra. We also have a commercial tool room with modern infrastructure backed by an experienced team. We offer comprehensive design services, ranging from product conceptualisation, designing, technical detailing, tooling and productivity improvement services resulting in improved manufacturing processes for our customers’ products.

Our Company was originally incorporated as Spectrum Polytech Private Limited on August 12, 2008. The name was later changed to Spectrum Electrical Component Private Limited on March 11, 2014, which was further changed to Spectrum Electrical Industries Pvt. Ltd. on June 14, 2018. The Company was converted into a Public Limited Company pursuant to Shareholders’ Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018 and the name of our Company was changed to Spectrum Electrical Industries Limited vide a fresh Certificate of

Incorporation dated June 20, 2018. The Registered Office & Corporate Office of our Company is located at Jalgaon in the State of Maharashtra.

## BUSINESS HISTORY

Mr. Deepak Chaudhari, Promoter of our Company, started his entrepreneurial journey in 1995 by incorporating a proprietary firm, M/s. Spectrum Electroplaters in Jalgaon, Maharashtra. The firm was focused on undertaking zinc, nickel, tin, copper, silver and gold electroplating for Morarjee Dorman Smith Pvt. Ltd. (presently part of Legrand Group) and VIP Industries Limited. As the firm's business grew, Mr. Deepak Chaudhari extended the business operations to Nashik by incorporating a partnership firm under the name and style of M/s. Spectrum Electroplater in 2003, along with his business associates Mr. Devendra Rane and Mr. Chandrakant Rane. The partnership firm started with similar activities of electroplating and later on added Distribution Box Manufacturing activities for Anchor Electricals Pvt. Ltd. and ABB Limited in 2012.

To further expand the fabrication capacity, Mr. Deepak Chaudhari incorporated M/s. Spectrum Fabricators (India) Pvt. Ltd. in Jalgaon in 2004. After achieving stability in the operations across the group entities, Mr. Deepak Chaudhari started Injection Moulding business and set up a partnership firm, M/s. Spectrum Polytech at Jalgaon along with his wife, Mrs. Bharti Chaudhari in 2008. Later on, a commercial tool room was set up in Spectrum Polytech for manufacturing of dies and moulds.

For improving efficiencies, effective management and improvement / advancement of business, it was decided to integrate all the business operations of the group entities into one single entity. Accordingly, through business transfer agreements dated March 31, 2017, business of all the group entities, along with respective assets and liabilities were transferred to our Company with effect from April 1, 2017.

As a result of this business integration, the Company currently owns all the businesses carried on by erstwhile group entities, viz. the following:

S. No	Name of Entity	Year of Establishment	Plant Location	Business Activity	Major Clientele
1	Spectrum Electroplaters	1995	Plot No. J-76/1, MIDC Area, Jalgaon, Maharashtra  Plot No. G-94/1, MIDC Area, Jalgaon, Maharashtra	Electroplating	1. Novateur Electricals and Digital Systems Pvt. Ltd. (Subsidiary of Legrand SA, France) 2. Anchor Electricals Pvt. Ltd.
2	Spectrum Electroplater	2003	Plot No. G-12, MIDC Area, Ambad, Nashik, Maharashtra  Plot No. W-27, MIDC Area, Satpur, Nashik, Maharashtra  Plot No. D-1/19, MIDC Area,	Electroplating, Sheet Metal Fabrication & Powder Coating	3. Schneider Electric India Private Limited 4. Jain Irrigation Systems Limited 5. Hager Electro Private Limited 6. Larsen & Toubro Limited 7. Honeywell

			Ambad, Nashik, Maharashtra  Plot No. W-190, MIDC Area, Ambad, Nashik, Maharashtra		Electrical Devices and Systems India Limited 8. ARaymond Fasteners India Pvt. Ltd. 9. Polycab Wires Pvt. Ltd.
3	Spectrum Fabricators (India) Pvt. Ltd.	2004	Plot No. C-2/1 & 2, MIDC Area, Jalgaon, Maharashtra  Plot No. J-73, MIDC Area, Ajanta Road, Jalgaon, Maharashtra	Sheet Metal Fabrication & Powder Coating	
4	Spectrum Polytech	2008	Plot No. V-195, MIDC Area, Ajanta Road, Jalgaon, Maharashtra	Tool Room & Injection Moulding	

Our journey started with electroplating; and over past two decades we have added allied business activities of sheet metal fabrication, stamping, tool room, metal finishing & injection moulding. Today, as an integrated business enterprise, we are manufacturing and supplying a range of finished products directly to OEM customers' warehouses/distribution network besides supplying intermediate-stage products to many customers. Our multi-technological capabilities and integrated offerings combined with our product quality & customer service have helped us emerge as a preferred vendor to large corporate to source finished product directly from us, rather than outsourcing different intermediary products through different vendors. Through our long standing business relationship with our customers, we have acquired invaluable knowledge of customers' business process & quality expectations. Our successful delivery of products meeting customers' expectations as to quality and service has earned us a position of strategic supplier for our customers.

Key financial data upon integration of these entities with our Company is given below:

*Amt. In INR Lakhs*

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Turnover	10,020.41	9,503.07	8,085.99
EBIDTA	1,321.12	1,188.35	1,072.38
EBIDTA %	13.18%	12.50%	13.26%
PBT	515.08	365.46	273.80
PAT	349.70	247.04	184.66
Net Worth	2,705.26	2,027.68	1,746.79
Gross Block	5,854.44	4,457.66	3,798.84

**Note:** The above data is sourced from "Annexure No. 32 – Other Relevant Information" under chapter titled "Restated Financial Information" on page 201 of this Prospectus.

By virtue of Business Transfer Agreements (BTA) dated March 31, 2017, all the assets, liabilities, vendor approvals, customer relationships etc. of the aforesaid group entities stand transferred and vested in our Company. For more details on BTA, please refer to Chapter "History & Certain Other Corporate Information" on page 138 of this Prospectus.

## PLANT LOCATION

The manufacturing facilities of our Company are located in Jalgaon and Nashik. We manufacture and supply range of finished goods as well as intermediates products which are manufactured on contract basis depending upon the demand of our customers. We have planned the production process flow in accordance with the production stage involved in manufacturing the product to maximise operating efficiency.

Brief details of activities carried out at our various plant locations are mentioned below:

Sr. No.	Plant No.	Address	Activities
1	Plant-1	Gat No. 139/1 + 139/2, Umale, Jalgaon, Maharashtra	Manufacturing Injection Moulded Plastic Components & Products
2	Plant-2	Plot No. C-2/1 & 2, MIDC Area, Jalgaon, Maharashtra	Manufacturing Electrical Press Products & Components Manufacturing Irrigation Equipments & Components
3	Plant-3	Plot No. J-73, MIDC Area, Ajanta Road, Jalgaon, Maharashtra	Powder Coating
4	Plant-4	Plot No. J-76/1, MIDC Area, Jalgaon, Maharashtra	Electroplating (Zinc, Nickel, Tin, Copper, Silver & Gold)
5	Plant-5	Plot No. G-94/1, MIDC Area, Jalgaon, Maharashtra	Electroplating (Alkaline Zinc, Acidic Zinc, Nickel, Tin, Electro-less Nickel Plating)
6	Plant-6	Plot No. V-195, MIDC Area, Ajanta Road, Jalgaon, Maharashtra	Design & Manufacture of Injection Moulds, Press Tools and Dies Moulds, Tools & Dies Repairing & Correction Services
7	Plant-7	Plot No. G-12, MIDC Area, Ambad, Nashik, Maharashtra	Electroplating (Acidic Zinc, Nickel, Tin, Copper, Silver & Gold)
8	Plant-8	Plot No. D-1/19, MIDC Area, Ambad, Nashik, Maharashtra	Manufacturing Electrical Press Products & Components
9	Plant-9	Plot No. W-27, MIDC Area, Satpur, Nashik, Maharashtra	Electroplating (Alkaline Zinc, Nickel, Tin, Silver)
10	Plant-10	Plot No. W-190, MIDC Area, Ambad, Nashik, Maharashtra	Electrical Press Components & Products Manufacturing Services
11	Plant-11	Plot No. E-209, TSIC Industrial Park, Muppireddypalli Village, Toopran Mandal, Dist-Medak (Telangana)	This facility is recently established and is proposed to be used for manufacturing Injection Moulded Plastic Components & Products
12	Plant-12	Gat No. 139/1 + 139/2, Umale, Jalgaon, Maharashtra	This facility is being established and is proposed to be used for sheet metal fabrication and metal finishing.
13	Plant -13	Gat No. 130, Umale, Jalgaon, Maharashtra	This facility is being established for Silver plating activities.



			A separate facility is proposed to be established for Zinc electroplating activity, which will be funded out of current IPO proceeds.
14	Plant 14	Plot No. 266-P & 267-P, Narasapura Industrial Area, Karadubande, Hosahalli & Achatrihalli, Narasapura, Hobli , Kolar, Bengaluru, Karnataka	A facility for manufacture of Injection Moulded Plastic Components is proposed to be established at this location.

Other business operations like purchases, sales, IT & system support, HR & administration, finance & accounts, legal & secretarial compliances and other supporting functions are handled from our registered and corporate office located at Plot No. V-195, MIDC Industrial Area, Ajanta Road, Jalgaon.

## OUR PRODUCTS

We manufacture a range of products under electrical components domain having different applications and utilities. We undertake activities such as designing, fabrication, moulding, powder coating, electroplating and assembling to develop these products. Some of the products are obtained after passing through all the stages of production while some are obtained at intermediate stages of production. Actual photographs of some of the key products manufactured by our Company for our various customers are presented below:

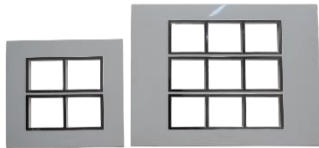
### 1. Distribution Boards & Metal Junction Boxes



## **2. AC Box**



## **3. Modular Electric Board Panels**



## **4. Other Electrical Components**

### **a. Mini MCB Base & Cover**



### **b. Fancy Angle Holders**



By virtue of multi-technology and varied processes involved in our manufacturing activities, we are also able to cater to other industries like automobile and irrigation. In automobiles, we supply plated brake components like carrier and calliper to major automobile manufacturers/OEM suppliers. We have rendered electroplating services to Tier I suppliers of Maruti Suzuki India Limited, Toyota Kirloskar Motor Pvt. Ltd., Nissan Motor India Pvt. Ltd., Honda Cars India Ltd. and Mahindra & Mahindra Limited. We are now nominated by Maruti Suzuki India Limited as potential vendor of zinc plating for their Tier I suppliers.

## **5. Auto & Irrigation Components**

### **1. Caliper**



### **3. Filter Pumps**



### **2. Carrier**



### **4. Filter Tank**



## **INSTALLED CAPACITY**

We offer a variety of products consisting of both finished goods and products obtained at intermediate production process level. We have different types of manufacturing plants for different processes and thus, the installed capacity for manufacturing of the products cannot be directly computed. Installed capacity in our Industry is a function of available machines, manpower deployed and time taken for manufacturing different kind of products. We are currently operating at near optimal capacity utilization levels and the setting up of new zinc electroplating plant will further enhance our production capacity for electroplating.

Our current and past manufacturing capacity for different processes are given below:

*In Metric Tonnes per annum*

Particulars	Rated Installed Capacity	Optimum Installed Capacity based on our product mix	Capacity Utilization	Capacity Utilization %
<b>2017-18 (after business integration)</b>				
Injection Moulding Plastic Products Manufacturing	3,500	2,700	2,106	78%
Press Components Manufacturing & Powder Coating	5,500	4,800	3,360	70%
Electroplating	2,000	1,400	1,148	82%
Tool Room (in absolute Nos.)	110	100	85	85%
<b>2016-17</b>				
Injection Moulding Plastic Products Manufacturing	400	300	225	75%
<b>2015-16</b>				
Injection Moulding Plastic Products Manufacturing	125	80	57	71%
<b>2014-15</b>				
Injection Moulding Plastic Products Manufacturing	100	60	12	20%

## COMPETITIVE STRENGTHS

- Strong in-house capabilities of product and engineering design
- Multi-Technological capabilities and integrated offerings such as tool room, injection moulding, sheet metal fabrication, stamping, metal finishing and surface treatments
- Sustainable business model with low risk having industry leaders as our customers
- In house R&D enables us to quickly develop products and adapt to the needs of our clients
- SAP S/4 HANA implemented by Company for digital enterprise operations
- UL certified moulding manufacturing process
- High standard of product quality and customer service
- Availability of up-to-date infrastructure enabling us to meet bulk requirements of clients
- Experienced management team

## KEY TECHNICAL ACHIEVEMENTS /STRENGTHS

- We have recently successfully developed a four cavity tool for a critical component which is otherwise done on a two cavity tool worldwide. This specialised tool significantly enhances the productivity and cost efficiency.
- We have recently successfully started silver graphite and silver diamond electroplating line which is a pioneering effort in India. This specialised technology finds its applications in high rated circuit breakers.

We hold the following registrations and recognitions/ performance awards:

1. Company has entered into Master Supplier Agreement with Schneider Electric India Pvt. Ltd. for supply of products and services
2. We have entered into Memorandum of Quality Assurance and also with Anchor-Panasonic for supply of various products.
3. We have entered into DOL agreement with Legrand for supply of various components.
4. We hold ISO 9001:2015 certification.
5. Awarded as a Gold Supplier for the financial year 2017-18 by Anchor-Panasonic for commitment, consistency and value addition to their products.
6. Awarded as Best supplier of Wiring Device BU by Anchor Panasonic for the financial year 2017-18
7. Schneider Electric has awarded the Company for excellent response during TVS + Launch and Meeting Customer commitments
8. Our Promoter, Mr. Deepak Suresh Chaudhari has been awarded “Young Entrepreneur” award by AIMS International, North Maharashtra Chapter and Raisonni Group of Institutions in 2016.

### **EXPORTS**

Domestic market for our products is huge and offers many opportunities for growth; as such Indian market remains our prime focus. We have recently started exporting some of our products to traders based in Dubai.

### **RESEARCH & DEVELOPMENT (R&D)**

We have an in-house R&D set up for different processes involved in the manufacture of products. Our R&D Team consists of qualified, experienced and dedicated people and the set-up is well equipped with modern technology and tools for designing and developing various new products as per the requirements of our customer.

We have a high precision Tool Room at Jalgaon plant where activities related to designing and development of various electrical components is undertaken. This Tool Room is equipped with modern, imported and indigenous machines to cater to designing and tooling requirements of our products as per the clients’ needs.

The R & D team regularly undertakes research and analysis for product development and enrichment as innovation is a critical aspect driving our business and customer satisfaction.

### **SALES & MARKETING**

We supply our products to select customers (B2B) and majority of our customers have been with us for a considerably long period. We are a preferred supplier to several of our clients and as such, we receive their projected requirements for products on periodic basis and the manufacture & sales are effected directly from respective plants. Due to our integrated business offerings to our customers, our sales and revenue growth is driven by strategic mutual interest and priorities.

We have dedicated account managers for our key customers who are responsible for servicing and generating new orders from existing customers. Our product innovation and cost efficiency achieved

through R&D helps in generating orders for newer product category and/or increased order quantity for existing product range. A dedicated team under the guidance of Managing Director plans and executes new client acquisitions from same or different industry segments.

Supply Chain Management (SCM) Heads at various plants finalise the terms of purchase order as per the discussion with the Client. The purchase order is then shared with the operations team which then co-ordinates in procuring raw material, planning and executing the order in a timely manner.

### **COMPETITION**

We believe that there are no companies in India, which have in-house multi technology capabilities to manufacture equivalent product mix as that of our Company. Setting up and management of these different technology and processes require specialised knowledge & skills, infrastructure and specific management capabilities. We possess these attributes and our rich experience in successfully managing these processes acts as a strong entry barrier. However, we face competition from various players in different intermediate segments of our manufacturing process. The major factors which affect competition in our business are product quality and value added services. With our strong customer relationships, innovations and quality product offerings, we believe that we provide a comprehensive, dependable and reliable offering in comparison to our competitors.

### **CUSTOMER SUPPORT & SERVICING**

Customer satisfaction is a major focus area for our Company and we strive to provide required products to the customer exceeding their quality expectations. We also constantly plan and monitor our production processes to ensure timely delivery of the products to customers. We conduct our entire operations in a transparent manner providing comfort and ease of dealing for our customers. We also conduct regular audit and take customer feedback for further improvements in our operations.

### **ERP SYSTEM & SOFTWARE**

We have implemented SAP S/4 HANA, as per 'SAP Best Practices'. SAP S/4 HANA is the latest version of SAP's Enterprise Resource Planning (ERP) packages. It is an intelligent ERP suite designed specifically for in-memory computing and offers a personalised user experience with SAP Fiori. It establishes a digital core to connect enterprise with people, business networks, the Internet of Things, Big Data etc.

Besides this, we have installed licensed versions of various design and analysis software like UG-NX 9, Solid Work, 3D quick press, Auto Desk Mould Flow, Auto CAD, Work NC, PEPS and Del CAM.

We also have a strong network system with in-house IBM Power 8 Server, Redundant Server and Disaster Recovery Server to ensure storage and retrieval of data on an ongoing basis. There is a strong in-house team of qualified and experienced IT personnel to manage the entire IT operations of the Company.

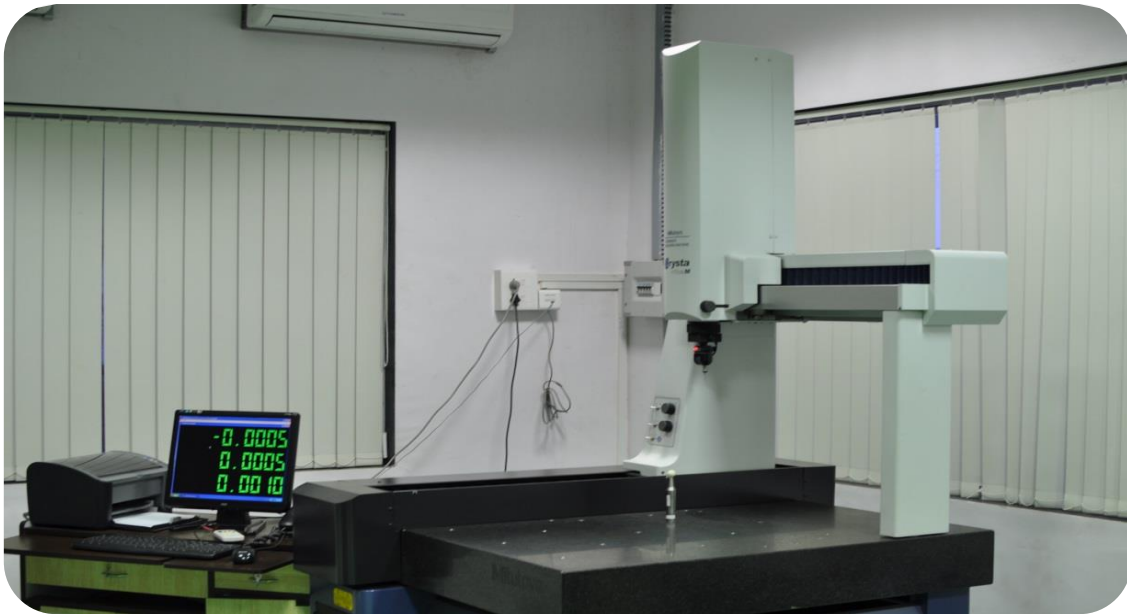
### **PURCHASE DEPARTMENT**

We have a dedicated procurement team, which looks after the procurement of raw material as per the orders received from the customers. Procurement team consists of well-trained & experienced employees and they closely work with all the plant heads for timely availability of the raw material to complete the orders of the customers. A prospective vendor is carefully evaluated for capacity,

standard and quality consciousness before approval. Where required, new vendors are identified and existing vendors are trained to retain and improve their quality standards.

### **QUALITY ASSURANCE**

Inward quality department ensures proper checking and testing of raw materials. The entire production process is monitored at every stage by quality assurance personnel to prevent mistakes and defects in the manufactured product. Our quality assurance programme comprises of administrative and procedural activities implemented in a Quality System to ensure that the final product specifications are met. Quality inspections are carried out on all finished products as per the sampling plan. Trained quality inspectors and sophisticated testing instruments ensure quality products.



*Quality Control Equipment (CMM)*

### **TOOL ROOM**

Tool Room is the foundation of any engineering business and it plays a key role in our manufacturing setup. We commissioned our Tool Room in 2009 and presently we have a full fledged facility equipped with sophisticated equipment like electro discharge machines, wire-cut, grinding machines, vertical milling machines, turning milling centre, laser welding, video measuring machines, co-ordinate measuring machine, trimos and standard measuring equipment along with required designing software. We have qualified and experienced team who provide required tool room support in the production process.

We operate our Tool Room on commercial basis and besides in-house usage, we also cater to tooling and designing requirements of other industrial customers.





### **PLASTIC INJECTION MOULDING UNIT**

We had set up our injection moulding facility in 2008 to capitalise on the emerging demand from our existing MNC customers. It is presently equipped with 80 moulding machines having capacity ranging from 50 tonnes to 300 tonnes. All the machines are capable of processing of engineering plastic with glass field.



Our tool room complements this facility by designing and manufacturing injection machine moulds for usage in injection moulding machines.

### **ELECTROPLATING UNIT**

We commenced our business in 1995 with an electroplating unit. Electroplating is a specialised process in which a layer of a metal is deposited on metallic or non-metallic surface by electrolysis. We have in-house capability of carrying out different types of electroplating which includes copper, tin, silver, gold, silver graphite, silver diamond, zinc electroplating and electroless nickel plating. The ability to carry out variety of electroplating is one of our key manufacturing strengths enabling us to offer integrated

product solutions to our customers. We have a fully automatic facility supported by trained and experienced staff to conduct and monitor the specialised activity.



### **METAL FABRICATION UNIT**

#### *Sheet Metal Fabrication:*

Fabrication is the process of cutting, bending, welding and assembling of metal sheets in desired shape and size. It is a value added process that involves the creation of machines, parts, and structures from various raw materials. This facility is equipped with shearing machine, bending machine, rolling machine, CO<sub>2</sub> welding machine, spot welding machine, Argon welding machine and arc welding machine and a dedicated assembly line.

This facility is utilised for manufacturing and fabrication of distribution boxes, metal junction boxes and irrigation filters.

#### *Precision Stamping:*

Stamping is the process of placing flat sheet metal in either blank or coil form into a stamping press where a tool and die surface forms the metal into a net shape. This facility is fully equipped with high precision press machines used for manufacturing of precision press parts. Our tool room complements this facility by designing and manufacturing precision tools for usage in press machines.





### **POWDER COATING UNIT**

Powder coating is a special type of surface treatment where the coating of thermoplastic /thermoset powder on metal surfaces is applied electrostatically and is then cured under heat to allow the coating to flow and form a "skin" over metal surfaces. Both glossy and matt finish can be obtained through the process

We have capability to undertake powder coating under continuous process as well as batch type process. Key machinery installed at our unit include powder coating booth, electrostatic spray gun, baking oven, seven tank pre-treatment. Quality checks are undertaken using modern machines like thickness tester, chemical lab, impact tester, peel-off tester

Powder coating activity adds to our comprehensive offering of fully assembled (ready to use) products for our customers.

### **ASSEMBLY & DISPATCH**

Our Company's finished goods after passing through all rigorous manufacturing and quality parameters are carefully assembled, packed and dispatched to the customers. Modern customized software helps in traceability of the finished goods.



## WAREHOUSING

Electrical, electronic, mechanical components, semi-finished products, assemblies and finished products are stored in various warehouses located in different plants. Easy traceability, material management and inventory control are achieved with the aid of SAP S/4 HANA ERP software. Material handling and movement is done using modern equipments.

## SWOT ANALYSIS

### STRENGTH

- Successful and growth oriented business history of the group for over two decades.
- Strong customer relationship with top tier brands of the Industry.
- Continuous journey of forward integration of processes to move up the value chain.
- Established capability in design and manufacturing coupled with quality service ensures customer satisfaction, fosters customer loyalty and generates repeat business;
- Experienced team of professionals led by technocrat promoter with demonstrated capability of creating and managing sizeable businesses.
- In-house R&D, tool room and continuous new product development

### WEAKNESS

- Low entry barrier for individual processes.
- Dependency on few major customers especially MNCs.
- Pursuit of growth requires large funds for continuous investments in capital expenditure and working capital.

**OPPORTUNITIES**

- Established track record and status as approved vendor with leading MNCs gives us huge opportunity to supply them with new products and also tap similar opportunities with other leading players.
- Inclination of MNCs and large corporate to outsource product manufacturing and quality services to Original Equipment Manufacturers.
- Caters to growing electrical component industry with scope for offering products to other industries also viz. automobile, irrigation and mobile phone manufacturing.
- Demand for electrical component and allied products is expected to grow in the coming years due to industrial development besides installation and replacement demand from consumer electrical sector.
- India is emerging as a competitive and preferred centre for manufacturing activities due to affordability, reliability and quality. Continuation of this trend will augur well for the growth of the sector and our company.

**THREATS**

- Competition from marginal players in specific manufacturing processes.

**DETAILS OF MAJOR CUSTOMERS**

Our sales are directly managed through our corporate office and our clientele includes renowned companies involved in manufacturing and selling of branded electrical and auto components. Names of our key customers include:

1. Novateur Electricals and Digital Systems Pvt. Ltd. (part of Legrand SA, France)
2. Anchor Electricals Pvt. Ltd.
3. Schneider Electric India Private Limited
4. Hager Electro Private Limited
5. ABB Ltd.
6. ARaymond fasteners India Pvt. Ltd.
7. Gold Medal Electrical Pvt. Ltd.
8. Larsen & Toubro Limited
9. Honeywell Electrical Devices and Systems India Limited
10. Jain Irrigation Systems Limited

**FUTURE PROSPECTS:**

Based on our strengths and capability of management team we believe that we are well positioned to take advantage of the immense opportunities available for growth of our business. The proceeds of the present issue will be used largely for setting up zinc plating plant and for meeting working capital requirement; which will help us in enhancing our capacity and improving our margins. Already implemented ERP system will help us in managing the business more effectively and improve cost efficiency & productivity. Besides, certain ongoing /recently completed projects funded by bank loans and unsecured loans from Promoter, are expected to contribute to our future growth thereby enhancing overall financial performance in coming years.

*Ongoing Projects / Developments*

- i) We are currently setting up distribution board and panel manufacturing unit, which will lead to capacity enhancement of our press component and powder coating unit by around 1200 MT per annum. The total outlay for this project is estimated at Rs. 9.78 crores for which Axis Bank Ltd has sanctioned term loan of Rs. 7.30 crores and balance will be met out of unsecured loans from Promoter. Commercial production is expected to commence in April 2019.
- ii) We have recently acquired 14 used injection moulding machines (Engel make) on credit which has led to capacity enhancement of our injection moulding unit by around 600 MT per annum. Total outlay towards these machines and auxiliary machines is Rs. 4.69 crores and the process of securing bank finance is underway.
- iii) We are currently in process of setting up of automatic plant for silver electroplating at Umale Jalgaon, for which civil works are already completed and installation of machines has commenced. Total outlay towards setting up of this facility is approximately Rs. 4.50 crores and will be met out of bank loans.

**MANUFACTURING PROCESS**

We are engaged in the business of designing, manufacturing and supplying of electrical, automobile and irrigation components to our clients as contract manufacturers and as component suppliers to leading industry players on Business to Business (B2B) model.

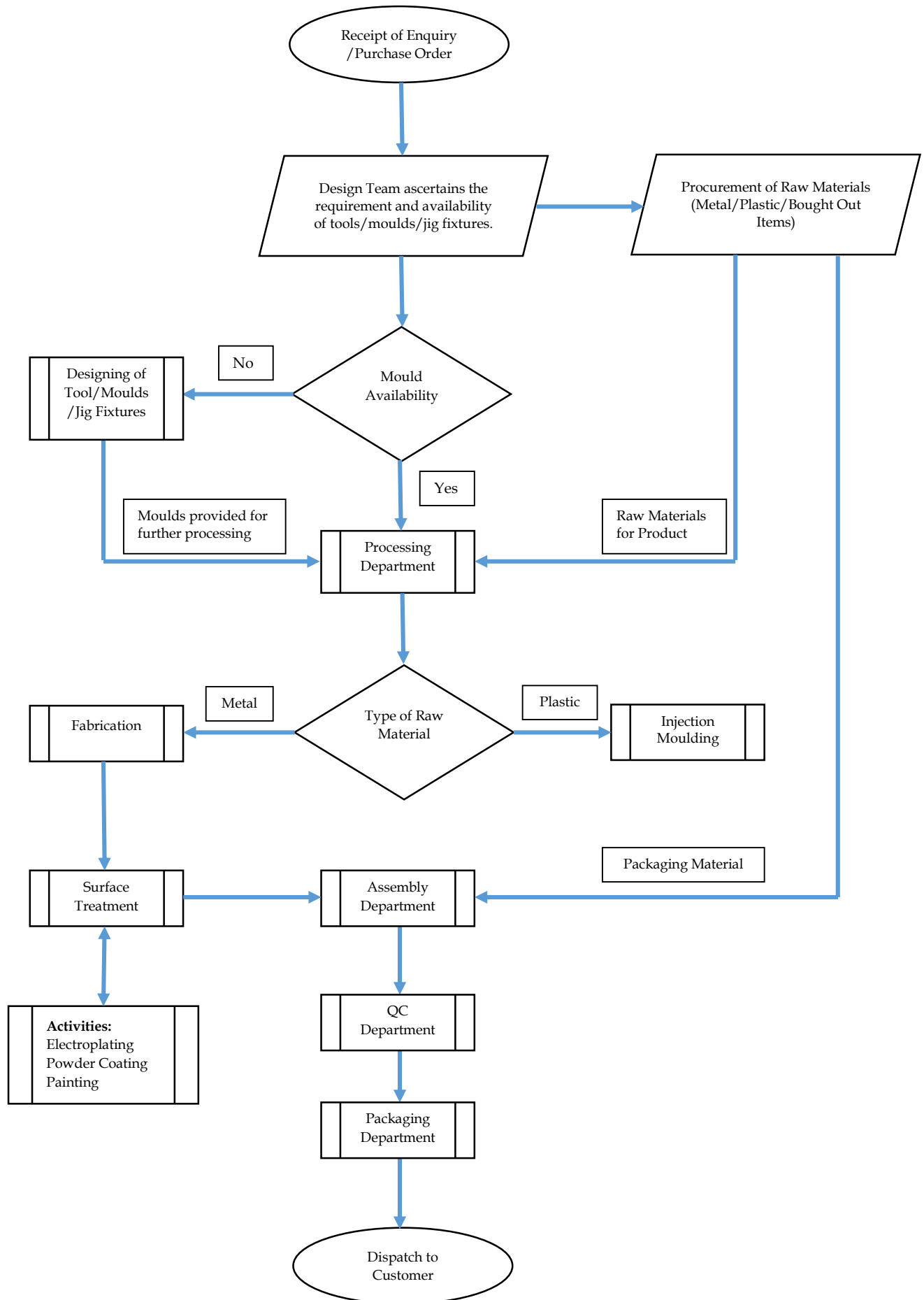
We continuously study the process and work towards enhancement in efficiencies. Quality product and timely delivery are our primary goals. The quality objectives are communicated to all the employees and quality checks are performed to check adherence to these objectives.

New enquiry is received at respective manufacturing plants by commercial and SCM team. SCM Team and commercial team then forwards the enquiry to Design and Development team.

Design and Development Team ascertains if there is a requirement to further develop a mould/press tool/jig fixtures or if the mould/press tool/jig fixtures is readily available with the manufacturing team. Once the clarity is available on the moulds/press tool/jig fixtures, raw materials are forwarded to process further. In case mould/press tool/jig fixture is not available, the Design & Development Team along with the technical team of the customer engages with the Tool Room personnel, who then takeover the process of developing the moulds/press tools/jig fixtures as required for the desired product.

Metal sheets/parts involved in the formation of product are sent to the fabrication department, where necessary cutting, punching and other similar activities are carried out. The products are inspected at regular intervals for quality checks. Metal parts on attaining the desired shape are then sent for electroplating or powder coating as per the requirement of the products being designed. Plastic components are obtained from injection moulding plants and further sent to assembly line.

We also procure ancillary components which are not manufactured at our plants such as bolts, screws etc. After both the metal and plastic components are prepared they are combined and assembled together. Then the combined product is put through the quality test as per quality plan. Post the quality check, finished goods are packaged by the 'Packaging Department' and transferred to the finished goods warehouse. These units are dispatched as and when delivery is scheduled.





## **BUSINESS STRATEGY**

### **Our Strategies**

We intend to build on our existing strengths of integrated business operations, timely delivery of high quality products and enhance our position as the contract manufacturer of choice for top-tier brands. Key elements of our business strategy are described below:

#### ***Continue to focus on Contract Manufacturing model***

As a Contract Manufacturing company, we undertake the entire manufacturing process of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Products are manufactured as per customers' specifications and are distributed by the customer under their brand name. We are responsible for defects, if any arising out of our manufacturing process as per terms of contract with the customers. This model requires constant investment in capex and working capital. The current trend among leading manufacturers to outsource all or bulk of manufacturing activities coupled with our strong manufacturing capabilities and long-standing customer relationship assures us of a stable business growth.

#### ***Leverage existing customer relationship to supply new products and value added services***

We have long-standing relationship with our existing customers and have a history of adding more products to our offerings over past years. We aim to continue this strategy by adding new products to our customers, which also helps us register better margins.

Our experienced R&D team and modern tool room helps us to upgrade existing products and develop new product verticals. We undertake value engineering and productivity improvement programme for our customers on a continuous basis, which helps to strengthen our relationship with our customers.

#### ***Diversification into new Industries***

Currently, we supply our products, mainly to electrical product industry and also to automobile and irrigation industries. We intend to enhance offerings in our current product portfolio and add more industry and product verticals, thereby helping us in diversifying our customer base.

#### ***Entry into new geographies***

Our manufacturing facilities are currently situated in Jalgaon and Nashik and we intend to enhance our geographical base by setting up plants in southern part of India, namely, Hyderabad and Bengaluru. These locations are selected as they offer entry into large manufacturing hubs situated in the region and proximity to our existing customer base.

## **MANUFACTURING INFRASTRUCTURE**

### **PLANT & MACHINERIES**

Brief details of major machines and equipment installed at our various plants are given below:

S. No.	Description
1	Injection Moulding Machines (Engel)
2	Cold Cavity Runner Mould
3	Wittman Minor Granulator
4	Dryer & Loader

5	Vacuum Loader
6	Mould for various product models
7	Coiler & Decoiler Machines
8	NC Hydraulic Shearing Machine GS 3110
9	Hydraulic Unit Press 25 Ton Capacity
10	Straight Side Crank Presses
11	Power Press Machine
12	Stamping Press Machine
13	Progressive Tool
14	Sunrise Hydraulic Ironworker
15	Powder Coating Booth
16	Laser Welding Machine
17	Dies for various products
18	Automatic Tapping Machine
19	CNC Wire Cutting EDM Machine & Die Sinking EDM Machine
20	Measuring Head X Ray Machines
21	Cut 200 Wire EDM Drop Door CE Certified
22	Industrial Process Chiller
23	Horizontal Turning Machine
24	Precision measuring Instrument
25	Horizontal Milling Machine
26	Scope Testing Machines

Plant & Machinery proposed for setting up of new Zinc Plating Unit at Umale are as follows:

Sr. No.	Particulars	Quantity (Nos.)	Amount (Rs. Lakhs)
A.	Factory Land (Owned)	-	-
B.	Factory Building and Civil Works		200
C.	<b>Plant &amp; Machinery</b>		
1	Cost of Automatic Zink Acid/Alkaline Plating Line consisting of 58 Tanks with 4 Transporter and its Accessories	1 Set	325
D.	<b>Misc. Fixed Assets</b>		
1	<b>Misc. and Special Purchase Machines for Testing</b>		15
	Rapid I Machine	1	
	XRF Machine	1	
	Thickness Tester	1	
	Quality Inspection Table	3	
	Other Misc. Equipments		
2	<b>Material Handling Equipment</b>		
	Manual Hydraulic Pallate	2	3
	Battery Operated Electrical Stracker	1	9
	Other Misc. Equipments		3
3	Air Compressor	1	8
4	RO + DM Water Plant	1	7
5	Servo Voltage Stabilizer	1	9
6	Cost of Jigs & Other Fixtures		10
E	Furniture & Fixtures and Office Equipments		11
F	<b>Electrification</b>		10
1	Electricity Connection Charges including Deposit & Instruments		30
2	Transformer	1	10
3	Indoor Lightning System		9
4	Power Cables and Labour Charges		8
G	Effluent Treatment Plant		35

H	Pre-operative Expenses		20
I	Contingencies		28
	<b>Total Project Cost</b>		<b>750.00</b>

The cost of machineries and equipment proposed to be purchased and related expenses proposed to be incurred for setting up of new unit, as stated above, are estimated by our Management and no firm orders have been placed. The actual cost would, thus, depend on the prices finally agreed with the suppliers and, to that extent, may vary from the above estimates. No second hand machinery is proposed to be procured from the proceeds of the issue. We propose to place the order for the machineries during the period October 2018 to December 2018 and deliveries/installation thereof is expected to start from January 2019 and complete by March 2019.

### COLLABORATIONS/TIE UPS/ JOINT VENTURES

As on date of this Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures

### RAW MATERIALS

Our Company sources the raw material viz. metal sheets, electroplating chemicals and components, thermoplastics and other essential products from domestic market from prominent names such as SRF Limited, Sabic Innovative Plastics India Pvt. Ltd., SKM Galva, Covestro India Pvt. Ltd., Bhushan Steel Ltd., Posco India Pune Processing Center Pvt. Ltd. Grauer & Weil India Ltd., Coventya India Pvt. Ltd. and Gujarat Copper Alloys Ltd.

We also import thermoplastics from Mitsubishi (Taiwan), BASF (Germany), Shanghai Nytex (China) and Kingfa Sci & Tech Co. Ltd. (China).

Our customers approve the suppliers of our raw materials, and we enter into firm agreements with them. Our arrangement with the suppliers and customers ensure that we are insulated from risks of fluctuations in raw material prices.

### INFRASTRUCTURE & UTILITIES

#### Power

We have made necessary arrangements for uninterrupted power supply at our factory. We meet our power requirements for factory and corporate office from the connection taken from Maharashtra State Electricity Distribution Corporation Limited (MSEDCL). Details of electricity connection are as follows:

Particulars	Sanctioned Electricity Load	
	Unit	Quantity
Factory Location		
Gat no. 139/1 & 2 Umale, Jalgaon	KW	990.00
G-94, MIDC, Jalgaon	KW	200.00
Plot No. J-76/1 MIDC, Jalgaon	KW	40.00
Plot No. C-2/1, MIDC, Jalgaon	KW	225.00
Plot No. 1 to 10, J 73, MIDC, Jalgaon	KW	45.00
Plot No. V-195, MIDC, Jalgaon.	KW	450.00
Plot No. G-12, MIDC, Ambad, Sidco, Nashik	KW	67.00

Plot No. D-1/19, MIDC, Ambad, Nashik	KW	44.00
Plot No. W-27 MIDC Satpur, Nashik	KW	67.00
Plot No. W-190, Nashik	KW	65.00

Besides the above, we also have generator back up at following plants:

Plant Details	Capacity
Gat no. 139/1 & 2 Umale, Jalgaon	760 KVA
Plot No. C-2/1 & 2, MIDC, Jalgaon	125 KVA
Plot No. J-73, MIDC, Jalgaon	125 KVA
Plot No. J-76/1 MIDC, Jalgaon, Maharashtra	
Plot No. V-195, MIDC Industrial Area, Ajanta, Jalgaon, Maharashtra	125 KVA

### Water

The requirement of water for our manufacturing process in different plants is met from MIDC supply. We have set up a bore well facility at Umale plant to meet water requirements for manufacturing.

### Manpower

We believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. We presently have 370 employees comprising of administrative, skilled, semi- skilled and unskilled and 676 labours on contractual basis.

### Intellectual Property:

We have made an application to Registrar of Trademarks, Govt. Of India for registering our Company logo as per details given below:

S. No.	Particulars	Trade Mark	Granting Authority	Status
1	Company Logo		Registrar of Trade Marks, Govt. of India	Pending

### Property

Details of our immovable property are as under:

#### Owned

Sr. No.	Particulars of the Property, Description & Area	Date of Agreement	Existing Usage	Name of the Selling Entity	Cost of Acquisition (INR lakhs)	Relationship of Selling entity with any Promoter/Director	Whether Registered in the name of the issuer
1	Plot No. E-209, TSIC Industrial Park, Muppireddypally (V), Toopran (M), Medak District, Hyderabad-502334 (Telangana)	05.10.2016 (1255 Sq. Mtrs.)	Factory under Construction	Telangana State Industrial Infrastructure Corporation Limited	26.38	No	Yes

2	Gat No. 130, Mauje Umale, Tal & Dist-Jalgaon-425003 (M.S.)	07.09.2016 (East 2.43 HR)	Conversion of Industrial NA is under process	Mrs. Vimalbai Narayan Suryawanshi & Other	9.72	No	Yes
3	Gat No. 130, Mauje Umale, Tal & Dist-Jalgaon-425003 (M.S.)	29.03.2017 (Central 2.43 HR)	Conversion of Industrial NA is under process	Mr. Siddharth Dashrath Bhalerao & Other	10.00	No	Yes

Leased

Sr. No.	Address of the Property	Lesser/Lease details	Validity	Area	Consideration	Used As
1	Gat No. 139/1 & 139/2, Mauje Umale, Tal & Dist-Jalgaon-425003 (M.S.)	Shri. Deepak Suresh Chaudhari	Registered Lease Agreement for 25 Years from 16/07/2015 to 15/07/2040	6100 Sq. Mtrs.	Monthly Rent of Rs. 1,00,000/- per month with increase @ 5% every year upto 5 Years and thereafter after mutual consent of both the parties	Factory Building
2	Gat No. 139/1 & 139/2, Mauje Umale, Tal & Dist-Jalgaon-425003 (M.S.)	Shri. Deepak Suresh Chaudhari	Lease Agreement for 25 Years from 02/04/2016 to 01/04/2041	6100 Sq. Mtrs.	Monthly Rent of Rs. 1,00,000/- per month with increase @ 5% every year upto 5 Years and thereafter after mutual consent of both the parties	Construction of Factory is under process & expected to be complete by end of April 2019
3	Plot No. C-2/1, MIDC Industrial Area, Opp. BSNL Office, Jalgaon-425003 (M.S.)	MIDC (Deed of Assignment from Spectrum Fabricators (India) Pvt. Ltd. dated 27/09/2017)	Lease Agreement with MIDC for 95 Years from 01/08/1974 to 31/07/2069	2067 Sq. Mtrs.	Purchase Consideration of Rs. Rs. 81,30,936/- and Ground Rent would be Re. 1 p.a.	Factory Building
4	Plot No. C-2/2, MIDC Industrial Area, Opp. BSNL Office, Jalgaon-425003 (M.S.)	MIDC (Deed of Assignment from Spectrum Fabricators (India) Pvt. Ltd. dated 27/09/2017)	Lease Agreement with MIDC for 95 Years from 01/08/1974 to 31/07/2069	2392 Sq. Mtrs.	Purchase Consideration of Rs. Rs. 83,34,279/- and Ground Rent would be Re. 1 p.a.	Factory Building
5	Plot No. J-73, MIDC Industrial Area, Behind Lokmat, Jalgaon-425003 (M.S.)	MIDC (Deed of Assignment from Spectrum Fabricators (India) Pvt. Ltd. dated 27/09/2017)	Lease Agreement with MIDC for 95 Years from 01/01/2001 to 31/12/2095	800 Sq. Mtrs.	Purchase Consideration of Rs. Rs. 26,41,959/- and Ground Rent would be Re. 1 p.a.	Factory Building

6	Plot No. J-76/1, MIDC Industrial Area, Behind Lokmat, Jalgaon- 425003 (M.S.)	MIDC (Deed of Assignment from M/s. Spectrum Electroplaters dated 27/09/2017)	Lease Agreement with MIDC for 95 Years from 01/07/1996 to 30/06/2091	800 Sq. Mtrs.	Purchase Consideration of Rs. Rs. 49,04,802/- and Ground Rent would be Re. 1 p.a.	Factory Building
7	Plot No. G-94/1, MIDC Industrial Area, Jalgaon- 425003 (M.S.)	MIDC (Deed of Assignment from M/s. Spectrum Electroplaters dated 11/06/ 2018)	Lease Agreement with MIDC for 95 Years from 01/10/1993 to 30/09/2088	1540 Sq. Mtrs.	Purchase consideration of Rs. 1,32,13,200/- and Ground Rent would be Rs. 1 p.a.	Factory Building
8	Plot No. V-195, MIDC Industrial Area, Ajanta Road, Jalgaon- 425003 (M.S.)	MIDC (Deed of Assignment from M/s. Spectrum Polytech dated 27/09/2017)	Lease Agreement with MIDC for 95 Years from 01/11/1987 to 28/02/2082	2040 Sq. Mtrs.	Purchase Consideration of Rs. Rs. 1,18,69,388/- and Ground Rent would be Re. 1 p.a.	Factory Building
9	Plot No. G-12, MIDC Industrial Area, Ambad, Nashik-422010 (M.S.)	MIDC (Deed of Assignment from M/s. Spectrum Electroplater dated 05/02/2018)	Lease Agreement with MIDC for 95 Years from 1/11/1987 to 31/10/2082.	720 Sqmt s	Purchase Consideration of Rs. Rs. 49,00,000/- and Ground Rent would be Re. 1 p.a.	Factory Building
10	Plot No. W-27, MIDC Industrial Area, Satpur, Nashik-422007 (M.S.)	MIDC (Note: Deed of Assignment from M/s. Spectrum Electroplater to SECPL dated 05/02/2018)	Lease Agreement with MIDC for 80 Years 01/06/1978 to 31/05/2058.	680 Sq. Mtrs.	Purchase Consideration of Rs. Rs. 49,00,000/- and Ground Rent would be Re. 1 p.a.	Factory Building
11	Plot No. D-1/19, MIDC Industrial Area, Ambad, Nashik-422010 (M.S.)	Leave & License Agreement with Mr. Madeepsingh Kohli & Mr. Harpalsingh Kohli dated March 22, 2018	Rent Agreement for period of 3 years from 01/4/2018 to 31/03/2021	800 Sq. Mtrs.	Monthly Rent of Rs. 70,784/-	Factory Building
12	Plot No. W-190, MIDC Industrial Area, Ambad, Nashik-422010 (M.S.)	Leave & license Agreement with M/s. Saniyo Engineers & Mr. Rajesh Khandare dated May 16, 2018	Rent Agreement for period of 3 years from 01/4/2018 to 31/03/2021	800 Sq. Mtrs.	Monthly Rent of Rs. 82,500/-	Factory Building
13	Plot No. 266-P & 267-P, Narasapura Industrial Area, Karadubande, Hosahalli & Achatrihalli, Narasapura,	M/s. CMR Falcom Aluminium Company	Deed of Lease dated May 10, 2018 for a period of 9 years from 01/06/2018 to 31/05/2027.	5,014 Sq Mtrs.	Monthly Rent of Rs. 7,55,524/-	Proposed to be used as Factory building

	Hobli, Kolar, Bengaluru, Karnataka					
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### **INSURANCE DETAILS:**

#### **KEY MAN INSURANCE**

We have obtained term insurance from Birla Sun Life Insurance on the life of Mr. Deepak Chaudhari for Sum Assured of Rs. 4,000 Lakhs for a period of 7 years commencing from December 29, 2015 with a one-time premium payment, having our Company as the beneficiary. The same is assigned in favour of Axis Bank towards their dues.

#### **OTHER INSURANCE**

We maintain a range of insurance policies to cover our assets, risks and liabilities. We have taken different insurance policies under Standard fire and special peril policy, machinery breakdown, burglary and vehicles insurance policies. The policies provide for appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides, marine cargo and workmen compensation claims by our personnel. 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 practice in India.

#### **EFFLUENT TREATMENT PLANT**

We have set up a Batch Type Effluent Treatment System at our workplace for disposing off harmful chemicals present in the residual water. Waste water goes through various stages before draining into external environment. First and foremost, effluent, coming from weaving, dyeing, printing and finishing is passed through primary filtration process for removing solid waste particles. Next the effluent is cooled down with a help of a fan. After the effluent has cooled down, it is mixed with acid or alkali for neutralisation. Neutralised effluent is then processed for coagulation process where coagulant substances are mixed with the effluent. After coagulation, effluent is then transferred to a settling tank where water settles down at a lower level and effluent remains floating at upper level as sludge. Water collected at lower level is then passed through a pressure filter to remove the remaining harmful chemicals and is then required to be ultimately disposed off for gardening and plantation purpose within the factory premises.



## KEY INDUSTRY REGULATIONS AND POLICIES

In carrying on our business as described in the section titled “Business Overview” on page 106 of the Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our Company. The information detailed in this chapter has been obtained from various legislations, 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 regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government and other Statutory Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Statutory Approvals” beginning on page 215 of the Prospectus

Our Company is engaged in the business of manufacturing of various types of electrical components. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

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

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

### **Maharashtra Factories Rules, 1963**

The Maharashtra Factories Rules, 1962 seeks to regulate labour employed in factories in the state of Maharashtra and makes provisions for the Inspection of staff, safety, health and welfare of the workers. Under this Rule, the occupier or manager of every factory is required to obtain previous permission for the construction or extension of a factory from the Chief Inspector of Factories. The occupier or manager is required to obtain certificate of stability and registration and notice of occupation for the factory. The Rules also requires inter alia the maintenance of various registers dealing with health, holidays and extent of child labour, white washing, humidity, workers attending machinery. Further, notice of

accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

### **Contract Labour (Regulation and Abolition) Act, 1970**

Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

### **Maharashtra Contract Labour (Regulation and Abolition) Central Rules, 1971**

Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971 requires the contractor to establish canteens, restrooms, drinking water, washing facilities, first aid facilities, and other facilities. Where the employment of any worker is terminated by or on behalf of the contractor, the wages earned by the worker shall be paid before the expiry of the second working day from the day on which his employment is terminated. Every employer shall maintain register of contractors and register of persons employed. The contractor is also required to issue an employment card to the employee and issue service certificate to the employee when he is terminated by the contractor for whatsoever reasons.

### **The Industrial Disputes Act, 1948 and Industrial Dispute (Central) Rules, 1957**

The Industrial Disputes Act, 1947 ("ID Act") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

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

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required

to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

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

The Payment of Bonus Act, 1965 ("PB Act") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100 (Rupees Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. 'Allocable surplus' is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

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

The Minimum Wages Act, 1948 ("MW Act") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

### **Maharashtra Minimum Wages Rules, 1963**

Maharashtra Minimum Wages Rules, 1963 ("MWA Rules") was enacted to establish minimum wages for certain categories of employees. The MWA Rules require that wages should be fixed of the employee not exceeding 1 (one) month. The employer is required to make payment of wages to a worker on termination of his employment. The employer is required to give notices containing the minimum rates

of wages and the name and address of the Inspector. The employer is required to pay extra wages for the overtime, maintain a register of wages and an inspection book.

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

The Payment of Gratuity Act, 1972 ("PG Act") applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply)

Gratuity is payable to the employee at the rate of 15 (fifteen) days' wages for every completed year of service or part thereof in excess of 6 (six) months.

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

The Payment of Wages Act, 1936 ("PW Act") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **Transfer of Property Act, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 ("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 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 Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished

or recorded. Under this Act, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorised to receive evidence. However, the document can be accepted as evidence in criminal court.

### **Maharashtra Stamp Act, 1958**

The Maharashtra Stamp Act, 1948 ("Maharashtra Stamp Act") prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act., then the instrument is chargeable with the highest of the duty prescribed. In addition, the Maharashtra Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

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

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any term he/she chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **Competition Act, 2002**

The Competition Act, 2002 ("Competition Act") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("Competition Commission") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks, is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar of Trademarks. The right to use the mark can be

exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

### **The Central Goods and Services Tax Act, 2017 (GST)**

GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

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

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

### **The Water (Prevention and Control of Pollution) Act, 1974 ("Act")**

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Act defines "pollution" as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution.

Accordingly, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.



**The Air (Prevention and Control of Pollution) Act, 1981 ("Act")**

The Act provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

The Act envisages establishing a Central Board as well as State Pollution Control Boards in each State. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under this Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also.

As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

The Act further prescribes certain compliances with regard to the reporting and prevention of accidents. Thus, where in any area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the Board constituted under the Act occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to such Board and to such authorities or agencies as may be prescribed by the Act.



## **HISTORY AND CERTAIN OTHER CORPORATE INFORMATION**

Our Company was originally incorporated as Spectrum Polytech Private Limited under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra at Mumbai on August 12, 2008. Pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on February 18, 2014, name of our Company was changed to Spectrum Electrical Component Private Limited and a fresh Certificate of Incorporation dated March 11, 2014 was issued by the Registrar of Companies, Maharashtra at Mumbai.

Pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018, name of our Company was changed to Spectrum Electrical Industries Private Limited and a fresh Certificate of Incorporation dated June 14, 2018 was issued by the Deputy Registrar of Companies, Maharashtra at Mumbai. Our Company was subsequently converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on May 30, 2018 and the name of our Company was changed to Spectrum Electrical Industries Limited vide a fresh Certificate of Incorporation dated June 20, 2018 issued by the Registrar of Companies at Maharashtra, Mumbai.

Our Registered Office & Corporate Office is situated at V-195, MIDC Industrial Area, Ajanta Road, Jalgaon, Maharashtra - 425 003. There has been no change in our Registered Office since incorporation.

### **BUSINESS HISTORY**

Mr. Deepak Chaudhari, Promoter of our Company, started his entrepreneurial journey in 1995 through a proprietary firm, M/s. Spectrum Electroplaters in Jalgaon, Maharashtra. The firm was focused on undertaking zinc, nickel, tin, copper, silver and gold electroplating for Morarjee Dorman Smith Pvt. Ltd. (presently part of Legrand Group) and VIP Industries Limited. As the firm's business grew, Mr. Deepak Chaudhari extended the business operations to Nashik by incorporating a partnership firm under the name and style of M/s. Spectrum Electroplater in 2003, along with Mr. Devendra Rane and Mr. Chandrakant Rane. The partnership firm commenced its business operations with electroplating and later on added distribution box manufacturing activities for Anchor Electricals Pvt. Ltd. and ABB Limited in 2012.

To expand the fabrication capacity further, Mr. Deepak Chaudhari incorporated M/s. Spectrum Fabricators (India) Pvt. Ltd. in Jalgaon in 2004. After achieving stability in the operations across the group entities, Mr. Deepak Chaudhari started Injection Moulding business and set up a partnership firm, M/s. Spectrum Polytech at Jalgaon along with his wife, Mrs. Bharti Chaudhari in 2008. Later on, a commercial tool room was set up in Spectrum Polytech for manufacturing of dies and moulds.

For improving efficiencies, effective management and improvement / advancement of business, it was decided to integrate all the business operations of the group entities into one single entity. Accordingly, through business transfer agreements dated March 31, 2017, business of all the group entities, along with respective assets and liabilities were transferred to our Company with effect from April 1, 2017.

Brief details of the BTA executed are given below:

No.	Purchaser	Seller (Proprietor/Partners/Shareholders)	Concerned Entity	Consideration (INR Lakhs)
1	Spectrum Electrical Component Pvt. Ltd	Mr. Deepak Chaudhari	Spectrum Electroplaters, Jalgaon	405
2		Mr. Deepak Chaudhari Mr. Devendra Rane Mr. Chandrakant Rane	Spectrum Electroplater, Nashik	395
3		Mrs. Bharti Chaudhari Mr. Deepak Chaudhari	Spectrum Fabricators (India) Private Limited, Jalgaon	600
4		Mr. Deepak Chaudhari Mrs. Bharti Chaudhari	Spectrum Polytech, Jalgaon	611
	<b>Total</b>			<b>2,011</b>

The purchase considerations stated above is discharged by the Purchaser by the way of allotment of its equity shares at premium. For further details, please refer to the chapter “Capital Structure” on page 53 of this Prospectus,

Salient features of these BTAs are given below:

- **“Business” or “Business Undertaking”** means the undertaking of the Seller engaged in the business consisting of the following;
  - a. All the Current & Non Current assets including but not limited to Fixed assets, Tangible and Intangible assets, Movable & Immovable property consisting of Land Building, Plant & Machinery & of the Business Undertaking Capital Work in progress, Current & Non Current investment, Deferred Tax assets, Long Term loan and advances , Inventories, Book-debts, advances, deposits, investments, receivables, (including without limitation, accounts receivables).
  - b. All the Current & Non Current Liabilities of the Seller as on the Agreement Effective Date which pertains to Business Undertaking.
  - c. Assumed Contracts including Articles of Agreement entered with District Industries Center under the scheme of PSI 2007.
  - d. Employees, on the terms and conditions of service as offered by purchasers and employees agreeing to such terms so offered;
  - e. Books, Records and Ledgers; Customer contracts, know-how, brands and other intangibles;
  - f. Technical or other information if any used primarily in connection with (a) to (e) above and as agreed between the Parties on or prior to the Closing Date, such as management information systems, drawings, sketches, blueprints and manuals.

- g. All the Licenses, permissions & Registrations with various authorities required to run the business.
- h. Intellectual property, technical know-how whether recorded and recognized as such or not; client relationships; supplier relationships; distribution network etc. and other similar matters inherent to the Business Undertaking
- In consideration of the Purchase Consideration to be paid by the Purchaser to the Seller in the manner set out herein and subject to the approval of various authorities as and where required and subject to the provisions of this Agreement, the Seller hereby agrees to sell, transfer, convey and deliver to the Purchaser, and the Purchaser hereby agrees to purchase, acquire and accept from the Seller, absolutely and forever the Business Undertaking including all legal and beneficial rights, title and interest and liabilities of the Seller in and to the Business Undertaking, as a slump sale of a 'going concern' on 'as is where is basis' and continue the said business in future with new name.

### KEY EVENTS / MILESTONES IN THE HISTORY OF OUR COMPANY

The group started its operations in 1995 and conducted its businesses under different entities. As the respective businesses have been transferred to our Company with effect from April 1, 2017, the table below lists key events/milestones pertaining to the group as a whole.

Period	Event	Remarks
1995	Commencement of electroplating business in Jalgaon	M/s. Spectrum Electroplaters
1995	Established business relationship with MDS Switchgear Pvt. Ltd. (now part of Legrand) through electroplating services.	M/s. Spectrum Electroplaters
1997	Started electroplating services for Kalyani Brakes Ltd. (now part of FBML)	M/s. Spectrum Electroplaters
1999	Established semi-automatic electroplating plant at own premises	M/s. Spectrum Electroplaters
2003	Commencement of electroplating business in Nashik at own premises	Plot No. G-12, MIDC Area, Ambad, Nashik
2004	Commencement of fabrication business in Jalgaon at own premises	Plot No. C-2/1 & 2, MIDC Area, Jalgaon
2004	Started supply of irrigation equipment and components to Jain Irrigation Systems Ltd.	Spectrum Fabricators (India) Pvt. Ltd.
2008	Commencement of manufacturing of injection moulded plastic components in Jalgaon at own premises	Plot No. V-195, MIDC Area, Ajanta Road, Jalgaon
2009	Setting up of commercial tool room facility at Jalgaon at own premises	Plot No. V-195, MIDC Area, Ajanta Road, Jalgaon
2010	Setting up of fully automatic electroplating plant at own premises in Jalgaon at own premises	Plot No. G-94/1, MIDC Area, Jalgaon
2010	Started supply of finished products directly to customers' distribution network	M/s. Spectrum Polytech

		Spectrum Fabricators (India) Pvt. Ltd.
2010	Established business relationship with L&T through supply of tool/moulds/dies	M/s. Spectrum Polytech
2012	Commencement of fabrication business in Nashik at leased premises	Plot No. D-1/19, MIDC Area, Ambad, Nashik
2012	Established business relationship with Anchor-Panasonic by supplying of Distribution Board at Nashik & Jalgaon.	M/s. Spectrum Electroplater - Plot No. D-1/19, MIDC Area, Ambad, Nashik  Spectrum Fabricators (India) Pvt. Ltd. - Plot No. C-2/1 & 2, MIDC Area, Opp. BSNL Office, Jalgaon
2012	Purchased a fully functional electroplating plant at Nashik	Plot No. W-27, MIDC Area, Satpur, Nashik
2013	Established business relationship with Hager Electro through supply of Distribution Boards.	M/s. Spectrum Electroplater
2014	Commencement of manufacturing of precision press components in Jalgaon at own premises.	Plot No. C-2/1 & 2, MIDC Area, Jalgaon
2014	Established business relationship with Schneider Electric through supply of plastic injection moulded components.	M/s. Spectrum Polytech
2014	Established business relationship with ARaymond Fasteners through supply of tool room services and plastic injection moulded components.	M/s. Spectrum Polytech
2014	Established business relationship with ABB India Ltd. through supply of distribution boards	Spectrum Fabricators (India) Pvt. Ltd.
2015	Shifted fabrication facility to a new location at Nashik	Plot No. W-190, MIDC Area, Ambad, Nashik
2014	Obtained UL certification (UL 746D) for Polymeric Materials – Fabricated Parts	M/s. Spectrum Polytech
2017	Established business relationship with Luminous through supply of metal junction boxes	Spectrum Electrical Industries Limited
2017	Established business relationship with Honeywell through supply of Distribution Boards.	Spectrum Electrical Industries Limited
FY 2017	Aggregate gross turnover of group entities crossed Rs. 100 crores.	
2017	Integration of business operations of all group entities under our Company	
2017	Implemented ERP system - SAP S4/HANA	
2017	Set up new plant at Umale, Jalgaon and commenced commercial production	Spectrum Electrical Industries Limited - Gat No. 139/1 + 139/2, Umale, Jalgaon

2017	Commencement of construction of new plant in Hyderabad on owned land	Spectrum Electrical Industries Limited - Plot No. E-209, TSIC Industrial Park, Muppireddypalli Village, Toopran Mandal, Dist- Medak
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**DETAILS OF CHANGES IN THE MOA**

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Authorized Share Capital of Rs. 1,00,000 (One Lakh Only) divided into 1,000 Equity Shares of Rs. 100/- each.	Incorporation	-
2.	Increase in Authorized Share Capital of the Company from Rs. 1,00,000/- divided into 1,000 Equity Shares of Rs. 100/- each to Rs.5,00,00,000/- divided into 5,00,000 Equity Shares of Rs. 100/- each.  Name Change from Spectrum Polytech Pvt. Ltd. to Spectrum Electrical Component Pvt. Ltd.	February 18, 2014	EGM
3	Our Object Clause was amended, pursuant to transfer of business of group entities to our Company, Main Objects, of Object Clause was changed to incorporate target entities' business objects in line with ours.	March 27, 2017	EGM
3.	Increase in Authorized Share Capital of the Company from Rs.5,00,00,000/- divided into 5,00,000 Equity Shares of Rs. 100/- each to Rs.11,20,00,000/- divided into 11,20,000 Equity Shares of Rs. 100/- each.	September 20, 2017	EGM
4.	Re-classification of Authorized Share Capital of the Company from Rs. 11,20,00,000/- divided into 11,20,000 Equity Shares of Rs. 100/- each to Rs. 11,20,00,000/- divided into 1,12,00,000 Equity Shares of Rs. 10/- each pursuant to sub-division of equity shares.	April 10, 2018	EGM
5.	Name change of our Company from Spectrum Electrical Component Pvt. Ltd. to Spectrum Electrical Industries Pvt. Ltd.	May 30, 2018	EGM
6.	Pursuant to conversion of our Company from Pvt. Ltd. to Public Ltd, name of our Company was changed to Spectrum Electrical Industries Limited from Spectrum Electrical Industries Pvt. Ltd.  Adoption of new Articles of Association pursuant to conversion of our Company from Pvt. Ltd. to Public Ltd.	May 30, 2018	EGM

7.	Increase in authorised share capital of the Company from Rs. 11,20,00,000/- divided into 1,12,00,000 Equity Shares of Rs. 10/- each to Rs.17,50,00,000 divided into 1,75,50,000 Equity Shares of Rs. 10/-	June 30, 2018	EGM
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## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company adopted in the Extra Ordinary General Meeting held on March 27, 2017 and as set forth in the Memorandum of Association of our Company are as follows:

*To Carry on the business of Manufacturing , Buying, Selling, Exporting, Importing, Dealing , Assembling , Fitting, Repairing , Converting and Improving all types of Electrical/Press Components and Plastic Injection molded parts, electronic components, devices, equipments and appliances, equipments such as television and wireless apparatus including radio receivers and transmitters, tape recorders, broadcast relay and reception equipments, phonograph and other equipments used in and or for audio and visual communications, apparatus and equipment including those using electromagnetic waves intended for radio- telegraphic or radio-telephonic communication photocopiers, electronic lightning controls, continuous fan / motor speed controls, continuous flashers and fire alarm systems, digital and electronic clock, time relays, punch card machine, electromechanical pneumatic controls, computers and automatic calculators, X- ray machines and tubes, surgical medical and other appliances intended for electro and other therapy treatment and in all types of tapes, magnetic and otherwise, photographic films, projectors and cameras and capacitors, resistance, condensers, semi conductors, transistors, rectifiers, integrated and hybrid circuits, relays, potentiometers, connectors, printed circuits, coils, chokes, transformers, switches, volume controls, plugs, socket, aerial gears, diodes and allied items intended for and used in electronic devices and in air conditioners, refrigerators, washing machines, heaters and cooking ranges and other types of domestic appliances, and any type of equipment used in the generation, transmission and receiving of sound, light and electrical impulses and component parts thereof and other materials used in or in connection with electronic and electrical industries, automobile Industry and aerospace*

*To Carry on the business of Industrial fabricators, metallic & Plastic fabricators , metallic & Plastic coating, civil, mechanical, Electrical and consulting engineers, agricultural engineers, aeronautical engineers, aviation engineers, construction engineers and engineers in all branches of work whatsoever know to engineering, erectors, mechanics, manufacturers of agricultural implements and any other kind of machinery which is used for the Purpose of agriculture or for any other purpose whatsoever, manufacturer of Injection Moulded Plastic Components, Tools, Moulds & Dies and /or any part thereof or accessories thereto, mill –wrightstube makers , iron and steel converter, smiths, wheel wrights, wood workers. Metallurgists, galvanizers, japanners, enamellers, electroplaters , silver-platters, nickel platers , varnishers , motor engineers, iron, steel, engineering goods, machine tools, automobiles and hand tools, small tools, iron pipe fittings nuts & bolts, stainless steel & iron products, ores and scrapes, metallurgical residues and other metal implements, tools, utensils and conveniences of every kind and all classes and kinds of ferrous and non ferrous metals, alloy steel, ferro alloys, pig iron, wrought iron, steel converters rolled steel and to establish workshop for the manufacture of any equipment required for any of the industries which the company can undertake and to deal in such equipment.*

*To Carry on all processes of electro-plating including Alkaline Zink plating, Acid Zink plating, Nickel plating, Tin plating, Electroless Nickel Plating, Gold Plating, Silver Plating, Powder coating and all chemical treatment and lacquering in respects of products manufactured or dealt with by the Company*

**PRESENT BUSINESS ACTIVITIES**

We are currently engaged in designing, manufacturing and supply of various electrical components and finished products to leading manufacturers in electrical product industry in India. We also cater to the automobile and irrigation equipment manufacturers in India. For more details on the activities of our Company, please refer Chapter “Business Overview” appearing on Page 106 of this Prospectus.

**INJUNCTIONS OR RESTRAINING ORDERS**

No injunctions/ restraining orders have been passed against the Company as on the date of the Prospectus.

**SHAREHOLDERS AGREEMENT**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

**STRIKES AND LOCK-OUTS**

Our Company has not been involved in any labour disputes or disturbances including strikes and lockouts since its incorporation.

**HOLDING COMPANY**

As on the date of the Prospectus, we are not a subsidiary of any company.

**DETAILS OF SUBSIDIARIES**

As on the date of the Prospectus, we do not have any subsidiary company.

**CHANGES IN THE ACTIVITIES OF THE COMPANY**

Our business activities have undergone changes due to business integration with effect from April 1, 2017. For details, please refer to Chapter “Business Overview” on page 106 of this Prospectus.

**OTHER AGREEMENTS**

Except for the agreements disclosed under the chapter titled “Material Contracts and Documents for Inspection” beginning on page 331 of the Prospectus, we have not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by us in the two (2) years preceding this Prospectus.

**STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of filing the Prospectus.



**FINANCIAL PARTNERS**

We do not have any financial partners as on the date of filing the Prospectus.

**REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

**RAISING OF CAPITAL**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 53 of the Prospectus.

For a description of our debt facilities, see “Financial Indebtedness” on page 209 of the Prospectus.

**DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

There have been no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years as on the date of the Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

**TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

There has been no time / cost overrun in setting up projects by our Company except in setting up of manufacturing facility at Umale, Jalgaon, where the project was delayed by about an year due to financing delays and the project cost escalated by about 10% due to foreign exchange currency fluctuation.

## OUR MANAGEMENT

Currently our Company has 8 Directors, out of which 4 are Non-Executive Independent Directors

Serial	Details of the Director	Other Directorship
1	<b>Mr. Deepak Suresh Chaudhari</b> S/o Late Suresh Namdeo Chaudhari Address: 39/A, Near Lions Club Hall, Adarsh Nagar, Jalgoan-425001, Maharashtra <b>Age :</b> 45 years <b>Designation :</b> Managing Director <b>DIN :</b> 00538753 <b>PAN :</b> ADRPC2958D <b>Occupation:</b> Business <b>Qualification :</b> BE E & TC (1994) <b>Date of Appointment :</b> 12/08/2008	Spectrum Fabricators (India) Pvt. Ltd.
2	<b>Mrs. Bharti Deepak Chaudhari</b> W/o Mr. Deepak Suresh Chaudhari Address: 39/A, Near Lions Club Hall, Adarsh Nagar, Jalgoan-425001, Maharashtra <b>Age:</b> 43 years <b>Designation:</b> Whole Time Director <b>DIN :</b> 02759526 <b>PAN :</b> ADWPC0676M <b>Occupation:</b> Business <b>Qualification :</b> M.Sc. Biotechnology (1997) <b>Date of Appointment :</b> 18/02/2014	Spectrum Fabricators (India) Pvt. Ltd.
3	<b>Mr. Devendra Sudhakar Rane</b> S/o Mr. Sudhakar Hari Rane <b>Address:</b> Plot No. 21, Pinto Nagar, Sai Krupa Nagar, Jail Road, Dasak, Nashik-422101, Maharashtra <b>Age:</b> 45 <b>Designation:</b> Director <b>DIN:</b> 06415078 <b>PAN :</b> AGFPR0134B <b>Occupation:</b> Business <b>Qualification:</b> Diploma in Industrial Electronics from Mumbai University (1997) <b>Date of Appointment:</b> 01/04/2017	-
4	<b>Mr. Chandrakant Bhaskar Rane</b> S/o Mr. Bhaskar Sitaram Rane <b>Address :</b> N P Developers Building No. 1/901, Ozone Valley, Parsic Nagar, Kharegaon, Kalwa (W), Thane-400605, Maharashtra <b>Age:</b> 52 <b>Designation:</b> Director <b>DIN:</b> 06410254 <b>PAN:</b> AAQPR2799P <b>Occupation:</b> Business <b>Qualification:</b> LME (1985) & B.E. Mechanical (2005) <b>Date of Appointment:</b> 01/04/2017	-

Serial	Details of the Director	Other Directorship
5	<b>Mr. Sanjay Padmakar Pawde</b> S/o Mr. Padmakar Govind Pawde <b>Address:</b> Block No-7, Maharashtra Bank Colony, Near Mahabal Auto Stop, Mahabal, Jalgaon-425001 <b>Age:</b> 45 Years <b>Designation :</b> Independent Director <b>DIN:</b> 0008129564 <b>PAN:</b> AKLPP2068E <b>Occupation:</b> Engineer <b>Qualification:</b> DEE, BE (Instrumentation), PGDAC (1997) <b>Date of Appointment:</b> 01/07/2018	-
6	<b>Mr. Narendra Daulatrao Wagh</b> S/o Mr. Daulatrao Ganpat Wagh <b>Address:</b> Plot No. 25, Shatri Nagar, Near Girana Water Tank, Jalgaon 425 002 Maharashtra <b>Age:</b> 63 Years <b>Designation :</b> Independent Director <b>DIN:</b> 02430616 <b>PAN:</b> AAEPW5166H <b>Occupation:</b> Business Strategy Consultant <b>Qualification:</b> BE Production, 1977 <b>Date of Appointment:</b> 02/05/2018	-
7	<b>Mr. Subhash Narayan Patil</b> S/o Mr. Narayan Bhoju Patil <b>Address:</b> 32, Pratiksha Nimbakar Society, Malabar Hill Road, Mulund West, Mumbai 400 082 <b>Age:</b> 59 Years <b>Designation:</b> Independent Director <b>DIN:</b> 00926521 <b>PAN:</b> AADPP1326M <b>Occupation:</b> Business <b>Qualification:</b> Diploma in Licentiate of Electrical Engineering (1980) <b>Date of Appointment:</b> 01/07/2018	Mass Tech Controls Pvt. Ltd. Mass Hi Tech Pvt. Ltd. Supravi Charge Zone Pvt. Ltd. Shree Sai Engineering Cluster
8	<b>Mr. Saurabh Shrikant Malpani</b> S/o Mr. Shrikant Malpani <b>Address:</b> "Ramashraya", Birla Road, Opposite Tilak Park, Ramdaspath, Akola 444 001 <b>Age:</b> 26 <b>Designation:</b> Independent Director <b>DIN:</b> 02759526 <b>PAN:</b> BTGPM2521Q <b>Occupation:</b> Professional <b>Qualification:</b> Chartered Accountant <b>Date of Appointment:</b> 06/08/2018	-

**BRIEF PROFILES OF OUR DIRECTORS****Mr. Deepak Suresh Chaudhari**

Mr. Deepak Chaudhari, who is our Promoter, is also the Managing Director of our Company. He is a Bachelor of Engineering in Electronics & Tele-Communication (BE E&TC) from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad and has an experience of over 23 years in manufacturing electrical components and other allied products. Mr. Deepak Chaudhari looks after the day-to-day management of the Company under the supervision, direction and control of Board of Directors. He is the guiding force behind the strategic decisions of our Company and oversees the principal business activities of our Company including planning & formulating the overall business strategy and developing business relations for our Company. His engineering background combined with his sharp business acumen has been instrumental in the growth of our Company. His passion for manufacture of quality products, has enabled us to gain trust and appreciation of our customers for our products. Mr. Deepak Chaudhari holds 80,17,600 Equity Shares in our Company constituting 71.97% of our Pre-Issue Capital.

**Mrs. Bharti Deepak Chaudhari**

Mrs. Bharti Chaudhari, is the Whole-time Director of our Company belonging to Promoter Group. She has done M.Sc. (Biotechnology) from North Maharashtra University, Jalgaon. She is designated as Director-Corporate Services. She participates in strategic decision making and growth plans of the Company and looks after the administrative functions of the Company on regular basis. Mrs. Chaudhari holds 5,24,900 Equity Shares in our Company constituting 4.71% of our Pre-Issue Capital.

**Mr. Devendra Sudhakar Rane**

Mr. Devendra Sudhakar Rane, is a Director of our Company. He holds diploma in Industrial Electronics from Mumbai University. He is designated as Director-Business Growth. He has been associated with the group since 2003 as a partner of M/s. Spectrum Electroplater based in Nashik. He takes care of electroplating business operations of Nashik unit and contributes in improvement of manufacturing processes besides managing customer relationships. Mr. Devendra Rane holds 3,49,820 Equity Shares in our Company constituting 3.14% of our Pre-Issue Capital.

**Mr. Chandrakant Bhaskar Rane**

Mr. Chandrakant Rane, is a Director of our Company. He holds Licentiate in Mechanical Engineering from VJTI University and Mechanical Engineering degree from Mumbai University. He is designated as Director-Operations. He has been associated with the group since 2003 as a partner of M/s. Spectrum Electroplater based in Nashik. He takes care of sheet metal fabrication business operations of Nashik unit and contributes in improvement of manufacturing processes besides managing customer relationships. Mr. Chandrakant Rane holds 4,12,640 Equity Shares in our Company constituting 3.70% of our Pre-Issue Capital.

**Mr. Narendra Daulatrao Wagh**

Mr. Narendra Wagh, is a graduate in Production Engineering from VJTI, Mumbai University & has had training in Strategic Business Leadership at Thunderbird School of Global Management at Arizona - USA & Lean Manufacturing Methodology at Barcelona in Spain. He is a senior management professional with more than four decades of multifaceted experience in managing large sized

businesses encompassing multi location, multi plant, multi brands, projects and services sectors with global footprint as a BU Head/CEO/Director. He has held and executed successfully senior management roles with reputed organizations like Godrej & Boyce Mfg. Company, Wimco Ltd, Voltas Ltd, Electrolux AB, Force Motors, Legrand, Suzlon Energy Ltd., Kirloskar Brothers and Walchand Group of Industries. He is a non-Executive Independent Director in our Company. His rich experience of business management will help us in strategic planning and business process improvements. He does not hold any equity shares in our Company.

**Mr. Subhash Narayan Patil**

Mr. Subhash Narayan Patil, is a Licentiate in Electrical Engineering having more than 30 years of experience in manufacturing and marketing of electrical products. He gained experience in the field of manufacturing and marketing of battery chargers, DC distribution boards, Rectifiers, Transformers and associated products in early stage of his career. He went onto incorporate his own Company, Mass-Tech Controls Pvt. Ltd. in 1993 which is engaged in manufacturing of battery chargers and DC systems. He has successfully concluded contracts for various clients through consulting companies like Engineers India Limited, BECHTEL, TOYO, Jacobs, AKER Solutions, Technip, Uhde, Thyssenkrupp, Technimont ICB, Mott MacDonald, DCL, Mecon, M.N. Dastoor, PDIL, Saipem, HOLTEC, TCE, Desein, Fichtner etc. He is a non-Executive Independent Director in our Company. His vast business experience and marketing skill is expected to help the Company in formulation of marketing strategy. He does not hold any equity shares in our Company.

**Mr. Sanjay Padmakar Pawde**

Mr. Sanjay Padmakar Pawde is a Bachelor in Instrumentation Engineering from JNEC, Aurangabad. He also holds Post Graduate Diploma in Advanced Computing from C-DAC, Pune. He has been actively associated in the areas of Training, HR, Skill Development, Research, Extension and CSR related activities since last 20 years. He has two books to his credit in the field of Computer Programming. Currently, he is working as Chief Programme Manager at KCEs' College of Engineering, Jalgaon at their Skill Development Centre. He is a non-Executive Independent Director in our Company. His knowledge and experience of instrumentation engineering is likely to benefit us in our automation and digitization of our units. He does not hold any equity shares in our Company.

**Mr. Saurabh Shrikant Malpani**

Mr. Saurabh Malpani, is a Chartered Accountant having an experience of 4 years in field of Indirect Taxes (GST, Central Excise, Service Tax and Customs). He is a non-Executive Independent Director in our Company. His knowledge and experience of indirect taxes is expected to benefit us in complying with indirect tax laws applicable to our Company. He does not hold any equity shares in our Company.

**NATURE OF FAMILY RELATIONSHIP BETWEEN OUR DIRECTORS**

Mrs. Bharti Chaudhari is spouse of Mr. Deepak Chaudhari. Save for this, none of our Directors are related to one another.

## CONFIRMATIONS

We confirm that:

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors.
- The terms of appointment of our Managing Director do not provide for any benefit upon termination of employment except the retirement benefits as applicable by law.
- None of our Directors is/ was a Director in any listed Company, during the last five years from the date of filing of Prospectus, whose shares have been/ were suspended from being traded on the BSE Limited and/or National Stock Exchange of India Limited.
- Further, none of our Directors is/was a Director of any listed Company which has been/was delisted from any recognized Stock Exchange(s)

## DETAILS OF BORROWING POWERS OF DIRECTORS

Pursuant to a Special Resolution passed at an Extra-Ordinary General Meeting of our Company on July 10, 2018 pursuant to provisions of Section 180(1)(c) or any amendment or modifications, if any, of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Shareholders have been accorded to the Board of Directors of our Company for borrowing from time to time as may be required for the purposes of business of our Company, in excess of the aggregate of the paid-up capital and free reserves of the Company. Such borrowing however shall not exceed Rs. 200 crores over and above the aggregate of the paid-up capital, free reserves and securities premium of the Company and shall exclude all temporary loans obtained from our Bankers in the ordinary course of our business.

## REMUNERATION / COMPENSATION TO DIRECTORS

During the last financial year ended March 31, 2018, the Directors have been paid gross remuneration as under :

Name of the Director	(Rs. In lakhs)
Mr. Deepak Chaudhari	34.50
Mrs. Bharti Chaudhari	18.00
Mr. Devendra Rane	18.00
Mr. Chandrakant Rane	18.00
Mr. Sanjay Pawde	Nil
Mr. Narendra Wagh	Nil
Mr. Subhash Narayan Patil	Nil
Mr. Saurabh Malpani	Nil

## COMPENSATION OF OUR MANAGING DIRECTOR

Mr. Deepak Chaudhari was appointed as Managing Director of our Company vide Shareholders' Resolution in the Extra Ordinary General Meeting held on June 30, 2018 at a remuneration of 60.00 lakhs per annum for a period of 5 years commencing from July 1, 2018 with the following remuneration structure:

**(A) In case of adequate profits:**

The Managing Director will be paid fixed salary of Rs. 5,00,000/- Per Month.

The Company may pay to the Managing Director, the above remuneration, excluding commission amount payable on profits earned, as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any. Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination and Remuneration Committee, if any and may be increased upto Rs.1,68,00,000 per annum (Rupees One Crore Sixty Eight Lakhs only) subject to the provisions of the Act.

The Managing Director will be eligible for following perquisite as per the Section IV of the Schedule V of the Act as provided below:

**I. Provident fund and superannuation:**

- Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%.
- Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year.
- Encashment of leave at the end of tenure.

**II. Other perquisites as provided below:**

- Car with driver: The Managing Director will be provided with a car and driver for use on Company's business. Use of car for private purpose will be billed by the Company.
- The Company shall reimburse actual entertainment and traveling expenses incurred by the Managing Director in connection with the Company's business.

**(B) In case of lack or inadequacy of profits:**

In the event in any financial year during the tenure of the Managerial Personnel, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration, excluding commission amount payable on profits earned, as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

**SHAREHOLDING OF OUR DIRECTORS**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Summary of shareholding of Directors in our Company

Name of Director	No. of Equity Shares	% of existing capital	% of post-issue capital
Mr. Deepak Chaudhari	8,017,600	71.97%	53.03%
Mrs. Bharti Chaudhari	524,900	4.71%	3.47%
Mr. Devendra Rane	349,820	3.14%	2.32%
Mr. Chandrakant Rane	412,640	3.70%	2.73%
Mr. Sanjay Pawde	-	-	-
Mr. Narendra Wagh	-	-	-
Mr. Subhash Patil	-	-	-
Mr. Saurabh Malpani	-	-	-
<b>Total</b>	<b>9,304,960</b>	<b>83.52%</b>	<b>61.54%</b>



## INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses and/or sitting fees payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares, dividend payable thereon and other distributions in respect of the said Equity Shares, if any, held by or that may be subscribed for by and allotted to them or transferred to them by their relatives or by the companies, firms or HUFs, in which they are interested as Promoters or Directors, Partners, Members or as Trustees, pursuant to this Issue. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or Partnership firms in which they are Partners or HUFs in which they are members.

The Managing Director and other Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Mr. Deepak Chaudhari and Mrs. Bharti Chaudhari are also interested to the extent of lease rent paid and payable to Mr. Deepak Chaudhari in respect of land leased out by him to the Company.

## CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

S. No.	Name	Date of Appointment / Resignation	Reason for change
1	Mr. Sunil Jangle	Resignation - December 1, 2017	Personal
2	Mrs. Meena Jangle	Resignation - December 1, 2017	Personal
3	Mr. Sanjay Pawde	Appointment - July 1, 2018	Appointment as Independent Director
4	Mr. Narendra Wagh	Appointment - May 2, 2018	
5	Mr. Subhash Patil	Appointment - July 1, 2018	
6	Mr. Saurabh Malpani	Appointment - August 6, 2018	

## COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of SEBI Listing Regulations will also be applicable to our company immediately upon the listing of Equity Shares on the NSE Emerge. Our Company has complied with the corporate governance code in accordance with the provisions of the SEBI Listing Regulations, particularly, in relation to appointment of independent directors to our Board and constitution of Audit Committee, Nomination & Remuneration Committee and Shareholders Relationship Committee.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Our Board of Directors consists of 8 Directors of which 4 are Non-Executive Independent Directors, which is in compliance with the requirements of Corporate Governance as prescribed in Companies Act, 2013 and provisions of the SEBI Listing Regulations to the extent applicable. We have constituted the following committees of Board:

## A. Audit Committee

The constituted Audit Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Narendra Wagh	Chairman	Non-Executive Independent Director
Mr. Saurabh Malpani	Member	Non-Executive Independent Director
Mr. Deepak Chaudhari	Member	Managing Director

The Company Secretary of our Company shall act as the Secretary to the Committee. The Chairman of the Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The terms of reference of Audit Committee complies with requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations to the extent applicable. The scope and function of the Committee and its terms of reference shall include the following:

1. **Tenure:** The Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
2. **Meetings of the Committee:** The quorum for the meeting shall be either 2 (two) members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.
3. **Meeting of the Committee** shall be called by at least 7 (seven) days notice in advance or shorter notice if all the members agree in writing or through electronic mode.
4. **Role and Powers:** The Role of Audit Committee together with its powers shall be as under:
  1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - b) Changes, if any, in accounting policies and practices and reasons for the same;
    - c) Major accounting entries involving estimates based on the exercise of judgment by management;
    - d) Significant adjustments made in the financial statements arising out of audit findings;
    - e) Compliance with listing and other legal requirements relating to financial statements;
    - f) Disclosure of any related party transactions; and
    - g) Modified opinion(s) in the draft audit report.
  5. Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised

through an issue (public issue, 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of our Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of our Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To establish and review the functioning of the whistle blower mechanism;
20. Approval of appointment of the chief financial officer (*i.e.*, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
22. Review of:
  - (a) management discussion and analysis of financial condition and results of operations;
  - (b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) internal audit reports relating to internal control weaknesses;
  - (e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
  - (f) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

## B. Nomination & Remuneration Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 and SEBI Listing Regulations 19, has constituted Nomination and Remuneration Committee. The members of the Nomination and Remuneration Committee are as follows:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Subhash Patil	Chairman	Non-Executive Independent Director
Mr. Sanjay Pawde	Member	Non-Executive Independent Director
Mr. Narendra Wagh	Member	Non-Executive Independent Director
Mr. Deepak Chaudhari	Member	Managing Director

The Committee shall be governed by the Terms of Reference of the Nomination and Remuneration Committee as under and will carry out the following functions:-

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that –
  - a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report.
3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
5. Devising a policy on diversity of the board of directors.

## Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is higher. The Committee may meet at least once a year. Meeting of the Nomination and Remuneration Committee shall be called by at least Seven day's notice in advance or shorter notice if all the members agree in writing or through electronic mode.

## C. Shareholders' Relationship Committee

This Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Narendra Wagh	Chairman	Non-Executive Independent Director
Mr. Devendra Rane	Member	Director
Mr. Deepak Chaudhari	Member	Managing Director

The Company Secretary of our Company shall act as the Secretary to the Committee. The scope and function of the Committee and its terms of reference shall include the following functions:

1. **Tenure & Meetings:** The Committee shall report to the Board on a periodical basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
2. **Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  1. Resolving the grievances of the shareholders of our Company including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends;
  2. Investor relations and redressal of grievances of security holders of our Company in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet, etc.;
  3. Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / subdivision/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates, etc.; and
  4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

#### **D. Corporate Social Responsibility (CSR) Committee**

This Committee comprises of the following members:

<b>Name of the Member</b>	<b>Status in the Committee</b>	<b>Nature of Directorship</b>
Mr. Narendra Wagh	Chairman	Non-Executive Independent Director
Mr. Sanjay Pawde	Member	Non-Executive Independent Director
Mr. Deepak Chaudhari	Member	Managing Director

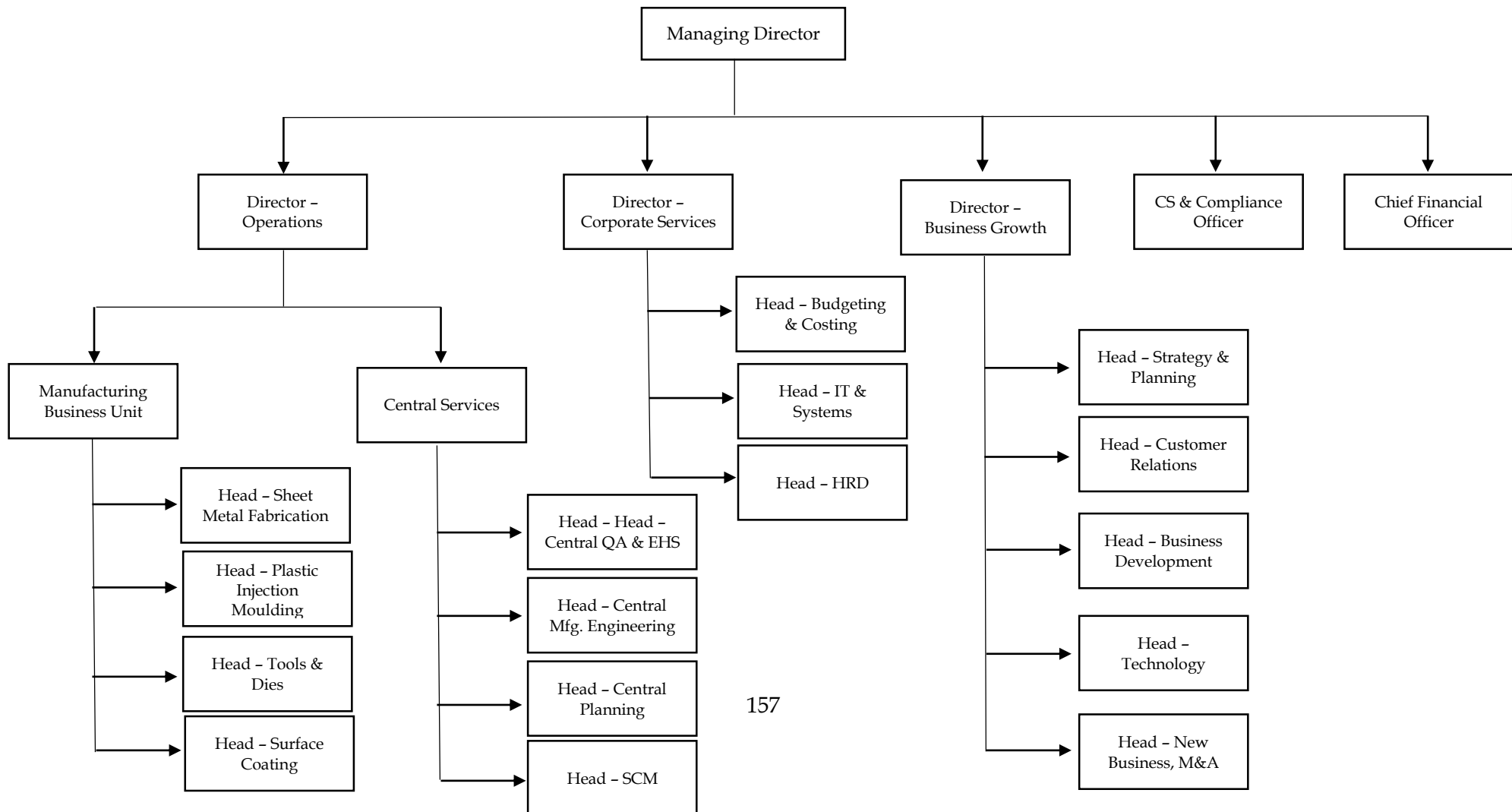
The scope and function of the Committee and its terms of reference shall include the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to in point (i) above;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. To formulate policies and procedures based on the requirements of SEBI.
5. To ensure implementation of all the policies pertaining to Business or Corporate social responsibility.
6. To ensure effective communication of all the policies to all relevant stakeholders.
7. Independent evaluation or audit of the policies to be conducted.

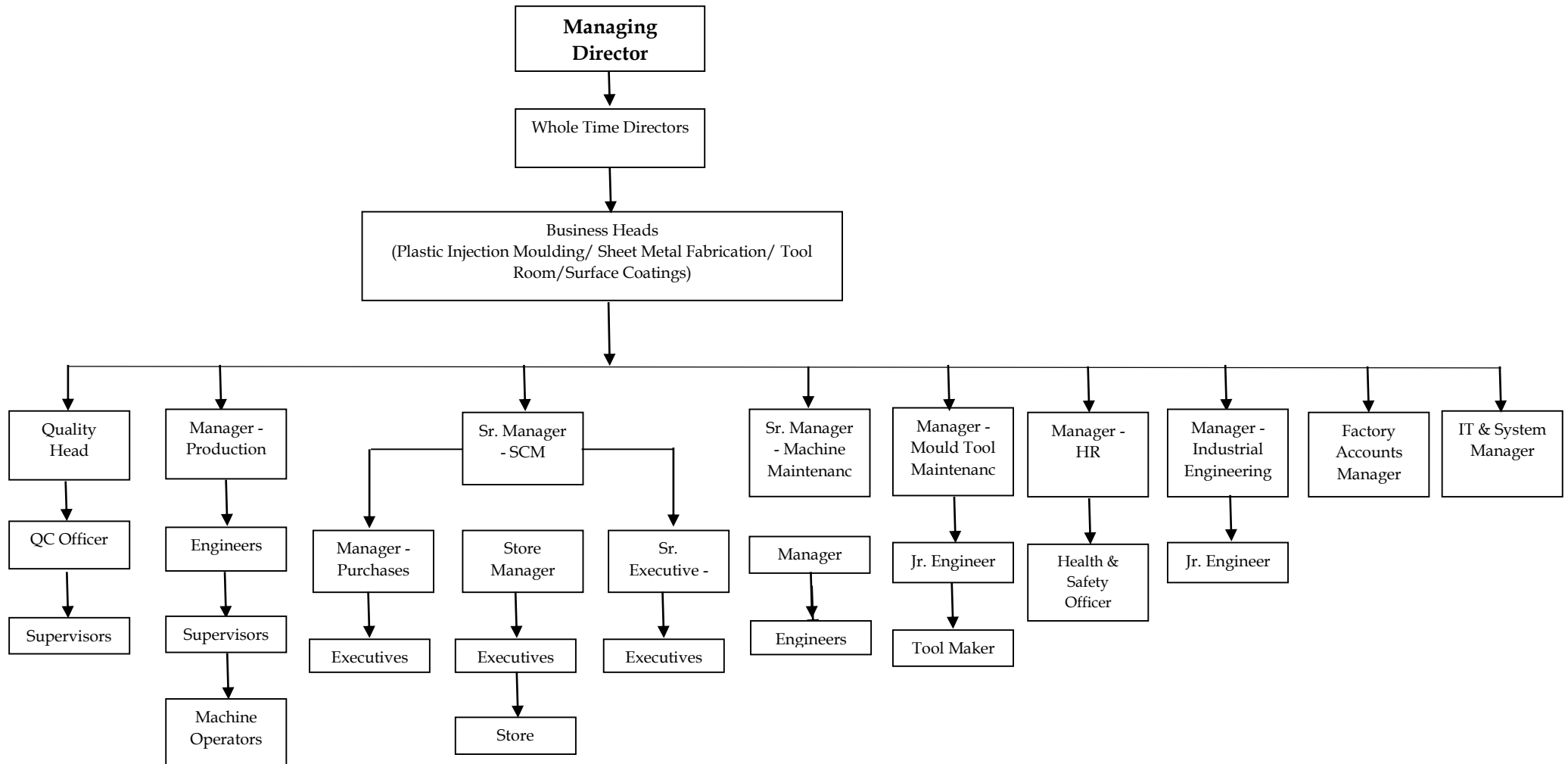
## MANAGEMENT STRUCTURE

We have a well laid out structure of management functioning under the guidance of Board of Directors of our Company. The structure comprises of team of Key Managerial Personnel and Functional heads under Managing Director. The Managing Director functions under the superintendence, control and guidance of our Board of Directors. The organization chart is depicted below:

### Corporate Organisation Chart



**Factory Organisation Chart**





### Key Managerial Personnel

Our management is supported by a team of qualified employees and professionals having sufficient experience in various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name and other details	Date of Joining*	Compensation Paid in F.Y. 2017-18	Previous Employment
Name: Mr. Satish Jaiswal Age: 41 years Designation: Head - SCM Qualification: MBA SCM, BE Prod. Overall Experience: 20 Years	07.11.2017	1,40,330	AAM India Fiat India Automobiles Ltd. BFG International Toyoto Kirloskar Motor Ltd.
Name: Mr. Gajanan Sangle Age: 40 years Designation: Head - Budgeting & Costing Qualification: Diploma - Industrial Electronics Overall Experience: 17 Years	09.02.2007	60,000	Elec-tek India Pvt. Ltd. Jain Irrigation Systems Limited
Name: Mr. Rajendra Wani Age: 58 years Designation: Head - Sheet Metal Fabrication Qualification: Mechanical Engineer Overall Experience: 34 Years	01/06/2016	49,500	VIP Industries Limited
Name: Mr. Rahul Rane Age: 42 years Designation: Head - Plastic Injection Moulding Plant Qualification: B.Sc. CIPET Overall Experience: 20 Years	01.06.2008	67,000	Classy Containers Bloom Packaging
Name: Mr. Mayur Barhate Age: 41 years Designation: Head - Central QA & EHS Qualification: Diploma in Mechanical Engineering Overall Experience: 9 Years	13.9.2010	27,000	Raymond Fedora Pvt. Ltd.
Name: Mr. Govardhan Reddy Age: 42 years Designation: Head - Tool Room & Dies Qualification: PD Tool Design Overall Experience: 18 Years	20.10.2010	1,00,000	GKD ITR Pvt. Ltd.
Name: Mr. Balu Patil Age: 47 years Designation: Head - Surface Coating (Semi-Automatic) Qualification: Diploma Electronics Overall Experience: 25 Years	06.01.1997	45,000	--
Name: Mr. Nishikant Somvanshi Age: 54 years	01.04.1999	42,000	--

Designation: Head – Surface Coating (Automatic) Qualification: B.Sc. Chemistry Overall Experience: 28 Years			
Name: Mr. Uddhav Borole Age: 41 years Designation: Head- Central Mfg. Engg Qualification: Diploma in Electrical Engineering Overall Experience: 18 Years	02.10.2017	60,000	Magneti Marelli Motherson Automotive Pvt. Ltd. Tata Visteon Automotive Pvt. Ltd. Varroc Engg. Pvt. Ltd.
Name: Ms. Smita Shirsale Age: 37 years Designation: HR Manager Qualification: B.E. and MBA Overall Experience: 9 Years	02.05.2017	36,320	Star Agri Warehousing & Collateral Management
Name: Ms. Sarita Zamwar Age: 31 years Designation: CS & Compliance Officer Qualification: B.Com, CS Overall Experience: 1 Year	2.05.2018	--	Nagpur Institute of Research Sciences & Surgical Centre Pvt. Ltd.
Name: Mr. Pankaj Rote Age: 30 years Designation: Chief Financial Officer Qualification: CA Overall Experience: 5 Years	01.07.2018	--	Chaudhari Cars Pvt.Ltd. (Toyota Franchise Dealer)

*\*In the Company/Group entities*

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Satish Jaiswal – Head – SCM, is an Engineer and Management Graduate and has an experience of 20 years of experience in sourcing and new product development. He is also exposed to global sourcing for Asian and US Markets through collaborative working. At our Company, he is responsible for managing purchase of raw materials and heading complete supply chain management process.
2. Mr. Gajanan Sangale – Head- Budgeting & Costing, is a diploma holder in Industrial Electronics with more than 17 years of experience in plant maintenance and designing, testing and commissioning of electrical products. In the past, he has worked with Jain Irrigation Systems Limited and Elek-Tek (I) Pvt. Ltd. He has been associated with our group entities since last 7 years and is presently in charge of product costing and budgeting related statistical functions. Besides costing, he also looks after customer relationship and requirements of IT department.
3. Mr. Rajendra Wani – Head -Sheet Metal Fabrication, is a mechanical engineering graduate from Pune University, having total work experience of 34 Years. Mr. Wani was employed as head of electroplating with VIP Industries Limited and was member of team responsible for installing hard luggage manufacturing system at Haridwar. Presently, he is heading all the activities related to fabrication plant.

4. Mr. Rahul Rane – Head – Plastic Injection Moulding Plant, is a science graduate from Chennai University, having total work experience of 20 years in production related activities. Presently, he is heading all the activities related to moulding plant.
5. Mr. Mayur Barhate – Head – QA & EHS, is a diploma holder in mechanical engineering and having 9 years of work experience in quality control. In our Company, he is vested with the responsibility for maintaining quality management systems and ensuring their compliance for customer satisfaction.
6. Mr. Govardhan Reddy –Head – Tools & Dies, is a diploma holder in Tool Designing and having 18 years of work experience in development of moulds, tools and dies. Presently, he is heading all the activities related to Tool Room.
7. Mr. Balu Patil – Head – Surface Coating Semi-Automatic Plant, is a diploma holder in Electronics Engineering having 25 years of work experience in handling electroplating activities. He has been associated with our Company from last 25 years and has been instrumental in overall expansion of the electroplating operations of the Company.
8. Mr. Nishikant Somvanshi – Head – Surface Coating Automatic Plant, is a chemistry graduate from Pune University. He has been associated with our group entities since last 23 years and has been instrumental in overall expansion of our electroplating operations.
9. Mr. Uddhav Borole – Head – Central Manufacturing Engineering, is a diploma holder in Electrical Engineering from Mumbai University. He brings overall experience of 18 years in injection moulding and surface coating to the Company. At present, he is responsible for planning and execution of new projects and manufacturing activities.
10. Ms. Smita Shirsale- Head - HRD, is a management graduate from University of Pune and is currently pursuing Doctorate from Jalgaon University. She is responsible for recruiting competent personnel, organizational development, employee relations & counselling and handling corporate social responsibilities of the Company.
11. Ms. Sarita Zamwar- is a Company Secretary and Compliance Officer of our Company. She is responsible for secretarial compliances including compliance of SEBI regulations.
12. Mr. Pankaj Rote – Chief Financial Officer, is a chartered accountant by profession, having 5 years of work experience and has been associated with our Company since last 4 years as a full time consultant. Mr. Rote has been appointed as Chief Financial Officer with effect from July 1, 2018, and is in charge of accounts, finance, taxation and other allied activities

We confirm that:

- i) All the persons named as our Key Managerial Personnel above are permanent employees of our Company.
- ii) There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above- mentioned Key Managerial Personnel have been appointed.
- iii) None of our KMPs are related to our Promoter or our Directors.
- iv) Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not

entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with our Company.

- v) Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel
- vi) None of the Key Managerial Personnel of our Company hold any shares of our Company as on the date of filing of the Prospectus.
- vii) Presently, we do not have ESOP/ESPS scheme for our employees.

#### **Changes in the Key Managerial Personnel in last 3 (three) years:**

The KMPs mentioned aforesaid were associated with the group for more than 3 years and are appointed in our Company with effect from April 1, 2017 upon execution of the business transfer agreements. Besides the above, following KMPs have been appointed within 3 years:


S. No	Name	Designation	Appointment
1	Mr. Uddhav Borole	Head - Central Manufacturing Engineering	2.10.2017
2	Mr. Satish Jaiswal	Head- SCM	7.11.2017
3	Ms. Smita Shirsale	Head - HR	2.5.2017
4	Ms. Sarita Zamwar	Compliance Officer	2.5.2018
5	Mr. Pankaj Rote	Chief Financial Officer	1.7.2018

#### **Interest of our Key Managerial Persons**

None of the KMPs of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our KMP has been paid any consideration of any nature from our Company, other than their remuneration.

## OUR PROMOTER

Mr. Deepak Chaudhari, Managing Director		
Address	Plot No. 39/A, Near Lions Club Hall, Adarsh Nagar, Jalgoan-425 001	
Age	45	
Qualification	BE. E & TC	
Experience	23 Years	
Occupation	Business	
PAN	ADRPC2958D	
DIN	00538753	
Passport No	J2277815	
Driving Licence No	MH1920100009017	
Voter Identification Card No.	WNU2507531	
Aadhar No.	5094 1420 3037	
No. of Equity Shares held in our Company	80,17,600	
Other Interests	<u>Directorships in other Companies</u> 1. Spectrum Fabricators (India) Private Limited  <u>Partner</u> 1. Spectrum Electroplater 2. Spectrum Polytech  <u>Proprietor</u> 1. Spectrum Electroplaters	

Mr. Deepak Chaudhari, Promoter of our Company, is also our Managing Director. He is a Bachelor of Engineering in Electronics (BE Electronics) from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad and has an experience of over 23 years in manufacturing electrical components and other allied products. Mr. Deepak Chaudhari looks after day-to-day management of the Company under the supervision, direction and control of Board of Directors. He is the guiding force behind the strategic decisions of our Company and oversees the principal business activities of our Company including planning & formulating the overall business strategy and developing business relations for our Company. His engineering background combined with his sharp business acumen has been instrumental in the growth of our Company. His passion for manufacturing quality products has enabled our Company to gain trust and appreciation of the customers for our products. Mr. Deepak Chaudhari holds 80,17,600 Equity Shares in our Company constituting 71.97% of our Pre-Issue Capital.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our Promoter have been submitted to NSE at the time of filing of the Prospectus with them.

## CONFIRMATIONS FROM OUR PROMOTER

Our Promoter has confirmed that he has not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past, nor any such proceedings are pending against our Promoter. Our Promoter has further confirmed that he has not been prohibited or debarred from accessing or operating in the capital markets for any

reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against him or any entity promoted or controlled by him by any regulatory authorities.

### **COMMON PURSUITS/CONFLICT OF INTEREST**

Our Promoter had promoted the following ventures, which were engaged in activities similar to our Company:

1. Spectrum Fabricators (India) Private Limited
2. Spectrum Electroplater (Partnership firm)
3. Spectrum Polytech (Partnership Firm)
4. Spectrum Electroplaters (Proprietary concern)

The businesses conducted by the aforesaid entities have been acquired by our Company and integrated with effect from April 1, 2017 and as such no group entities are presently engaged in line of business similar to our Company as on the date of this Prospectus.

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

### **INTEREST OF PROMOTERS IN OUR COMPANY**

Our Promoter is interested to the extent of his shareholding in our Company. In addition, Mr. Deepak Chaudhari, Managing Director of our Company may be deemed to be interested to the extent of remuneration and other benefits as per the terms of his appointment. Our Promoter may also benefit from holding directorship in our Company. Further, he may be deemed to be interested in our Company to the extent of transactions carried on by our Company with Promoter or other group entities in which our promoter is interested including payment of lease rentals for the land leased out to the Company.

### **INTEREST IN THE PROPERTY OF OUR COMPANY**

Our Promoter does not have any interest in the property of the Company except to the extent of his shareholding in our Company.

### **RELATED PARTY TRANSACTIONS**

For the transactions with our related parties, please refer to "Annexure No. 31 – Related Party Transaction" on page 197 under the chapter titled "Restated Financial Information" of the Prospectus. Except as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

### **PAYMENT OR BENEFIT TO PROMOTER OF OUR COMPANY**

For details of payments or benefits paid to our Promoter, please refer to the paragraph "Compensation of our Managing Director" in the chapter titled "Our Management" on page 146. Also refer, "Related Party Transactions" on page 197 forming part of "Restated Financial Information" of the Prospectus.

**COMPANIES / FIRMS FROM WHICH THE PROMOTER HAS DISASSOCIATED IN LAST 3 (THREE) YEARS**

Our Promoter has not disassociated himself from any of the companies, firms or other entities during the last three years preceding the date of the Prospectus.

**LITIGATION DETAILS PERTAINING TO OUR PROMOTERS**

There are no litigations pending against the Promoter and no defaults have been committed by the Promoter.



## OUR PROMOTER GROUP AND PROMOTER GROUP ENTITIES

In addition to Mr. Deepak Chaudhari who is our Promoter, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

Individuals related to our Promoter Mr. Deepak Chaudhari :

Relationship	Name
Mother	Yashoda Suresh Chaudhari
Spouse	Bharti Deepak Chaudhari
Sister	Meena Sunil Jangle and Kalpana Chandrakant Rane
Son	Sshadj Deepak Chaudhari
Daughter	Darshana Deepak Chaudhari
Spouse's Father	Sanjay Ramkrishna Phirake
Spouse's Mother	Mangala Sanjay Phirake
Spouse's Brother	Hitendra Sanjay Phirake
Spouse's Sister	Manisha Umesh Patil

## GROUP COMPANIES / ENTITIES

Following are the entities forming part of our Promoter Group:

1. Spectrum Fabricators (India) Pvt. Ltd. (SFIPL)
2. M/s. Spectrum Electroplaters
3. M/s. Spectrum Electroplater
4. M/s. Spectrum Polytech

1. **SFIPL**, incorporated in the year 2004, is promoted by Mr. Deepak Chaudhari and Mrs. Bharti Chaudhari. This Company was incorporated with the main object of carrying on business in the metal fabrications and its related activities. Business of SFIPL has been transferred to our Company with effect from April 1, 2017 through business transfer agreement, therefore SFIPL currently does not have any business. Mr. Deepak Suresh Chaudhari and Mrs. Bharti Chaudhari, collectively holds 100% of the shareholding in SFIPL. SFIPL holds 18,34,860 equity shares in our Company.

The brief details of SFIPL are given below:

Date of Incorporation	26/02/2004
CIN	U51420MH2004PTC144756
PAN	AAICS3577M
Registered Office	J-76/1, MIDC Area, Jalgaon, Maharashtra
Nature of activity	Metal Fabrication and its related activities
Board of Directors	1) Deepak Suresh Chaudhari 2) Bharti Deepak Chaudhari

Financial Highlights based on latest available audited balance sheets of SFIPL are given below:

Particulars	31/03/2017	31/03/2016	31/03/2015
Equity Capital	3,01,20,000	3,01,20,000	3,01,20,000
Reserves & Surplus	4,52,60,400	1,64,29,058	1,30,97,950
Networth	7,53,80,400	4,65,49,058	4,32,17,950
Revenue from operations	34,47,97,562	31,64,57,745	29,68,65,572

Amount In Rs.

Shareholding Pattern of SFIPL as on the date of this Prospectus is as follows:

Shareholder	No. of Equity Shares	% of shareholding
Mr. Deepak Chaudhari	150,600	50.00%
Mrs. Bharti Chaudhari	150,600	50.00%
<b>Total</b>	<b>301,200</b>	<b>100.00%</b>

#### Other confirmations

- SFIPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up;
  - No application has been made to ROC for striking off the name of SFIPL;
  - There are no common pursuits among SFIPL and our Company;
2. **M/s. Spectrum Electroplaters (SEJ)** is a proprietorship firm based in Jalgaon with Mr. Deepak Chaudhari as the sole proprietor. SEJ was involved in business of metal electroplating. Business of SEJ has been transferred to our Company with effect from April 1, 2017 through business transfer agreement, therefore SEJ currently does not have any business. Financial Highlights based on latest available audited balance sheets are mentioned below:

*Amount In Rs.*

Particulars	31/03/2017	31/03/2016	31/03/2015
Proprietor Capital Account	7,56,11,669	7,28,53,570	5,43,84,272
Revenue from operations	13,90,95,280	14,74,77,332	11,79,38,902

3. **M/s. Spectrum Electroplater (SEN)** is a partnership firm based in Nashik with Mr. Deepak Chaudhari as one of the partners. SEN was involved in business of metal electroplating and fabricating activities. Business of SEN has been transferred to our Company with effect from April 1, 2017 through business transfer agreement, therefore SEN currently does not have any business. Financial Highlights based on latest available audited balance sheets are mentioned below:

*Amount In Rs.*

Particulars	31/03/2017	31/03/2016	31/03/2015
Partners Capital Account	1,30,06,375	1,01,72,305	93,48,590
Revenue from operations	18,55,10,170	21,23,33,287	21,61,00,176

4. **M/s. Spectrum Polytech (SPL)** is a partnership firm based in Jalgaon with Mr. Deepak Chaudhari as one of the partners. SPL was involved in business of injection moulding activities and designing of moulds and dies. Business of SPL has been transferred to our Company with effect from April 1, 2017 through business transfer agreement, therefore SPL currently does not have any business. Financial Highlights based on latest available audited balance sheets are mentioned below:

*Amount In Rs.*

Particulars	31/03/2017	31/03/2016	31/03/2015
Partners Capital Account	9,55,73,419	6,92,89,742	6,64,80,149
Revenue from operations	42,19,15,512	40,73,02,347	5,75,03,563

#### UNDERTAKING / CONFIRMATIONS

Our Promoter and Group entities have further confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such violations are pending against them.

Additionally, neither our Promoter nor members of our Promoter Group and Group entities have been restrained from accessing the capital market for any reasons by SEBI.

#### **LITIGATION/ DEFAULTS**

There are no litigations involving the Promoter and Promoter Group Companies, other than as disclosed under section titled “Outstanding Litigations And Material Developments” on page 212.

#### **RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE**

There are no business transactions between our Company and the Promoter Group Companies except as stated under “Annexure 31 - Related Party Transactions” on page 197 forming part of Chapter “Restated Financial Information” .

#### **SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES**

There are no sales or purchases between our Company and any Company in the Promoter Group Companies / Entities except as under “Annexure 31 - Related Party Transactions” on page 197 forming part of Chapter “Restated Financial Information”.

#### **SICK COMPANIES**

There are no Companies in our Promoter group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies.

#### **DEFUNCT GROUP COMPANIES AND ENTITIES**

None of our Promoter Group companies and entities has remained defunct and no application has been made to the Registrar of Company for striking off their name from the Register of Companies, during the five years preceding the date of filing of this Prospectus.

#### **PAYMENT OR BENEFITS TO OUR PROMOTER & PROMOTER GROUP**

Except for the payment of normal remuneration to Mr. Deepak Chaudhari and Mrs. Bharti Chaudhari for the services rendered in their capacity as employees of our Company and payment of lease rental to Mr. Deepak Chaudhari in respect of land leased out to our Company, no other payment or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

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

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of our policy on payment of dividends in the future.

## SECTION V – RESTATED FINANCIAL INFORMATION

## RESTATED FINANCIAL INFORMATION

**Independent Auditors’ Report on Restated Financial Information of “Spectrum Electrical Industries Limited” (Formerly Known as Spectrum Electrical Component Private Limited)**

To,  
The Board of Directors,  
**Spectrum Electrical Industries Limited V-195,**  
MIDC Industrial Area, Ajantha Road,  
Jalgaon, Maharashtra - 425003

Dear Sir,

- 1) We have examined the attached restated standalone financial information of Spectrum Electrical Industries Limited (the Company) which comprise of the Restated Summary Statement of Assets and Liabilities as at year ended on March 31, 2014, 2015, 2016, 2017, 2018, the Restated Summary Statement of Profit and Loss and the Restated Summary of Cash Flows for the years ended March 31, 2014, 2015, 2016, 2017, 2018 and the Summary of Significant Accounting Policies (collectively the “Restated Standalone Financial Information” or “Restated Standalone Summary Financial Statements”) as approved by the Board of Directors of the company prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 read with rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014,
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”).

The preparation of the Restated Standalone Financial Information [including the interim financial information mentioned in paragraph 4 below] is the responsibility of the Management of the Company for the purpose set out in paragraph 9 below. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information in accordance with the accounting principles generally accepted in India, including the accounting standards as specified under section 133 of the Act’ read with Rule 7 of the companies (Accounts) Rules, 2014. The Management is also responsible for identifying and ensuring that the Company complies with the applicable Rules and ICDR Regulations.

- 2) We have examined such Restated Standalone Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 18<sup>th</sup> July 2018 in connection with the proposed issue of equity shares of the Company; and
  - b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI (“The Guidance Note”).

- 3) These Restated Standalone Financial Information have been compiled by the management from the Audited Financial Statements as at March 31, 2018, 2017, 2016, 2015 and 2014 and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 which have been approved by Board of directors at their meetings held on 16<sup>th</sup> July 2018, 15<sup>th</sup> September 2017, 7<sup>th</sup> September 2016, 1<sup>st</sup> September 2015, 3<sup>rd</sup> September 2014 respectively

Audit for the financial year ended 31<sup>st</sup> March 2014 & 31<sup>st</sup> March 2015 was conducted by M/s. Sanjay Chindaliya & Co. Chartered Accountants, 31<sup>st</sup> March 2016 was conducted by M/s. D. H. Borvale & Co. Chartered Accountants, 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2018 was conducted by M/s. S. D. Chopde & Co. and accordingly reliance has been placed on the financial information examined by them for the said year. The financial report included for these years i.e. 2018, 2017, 2016, 2015 and 2014 are based solely on the report submitted by M/s S. D. Chopde & Co, M/s. D. H. Borvale & Co, M/s. Sanjay Chindaliya & Co.

We have carried out Re-audit of the financial statements for the Financial Year ended March 31, 2018 as required by SEBI Regulations.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Spectrum Electrical Industries Limited, We, M/s. HMA & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

- 4) Our Report is based on the Audit Financial Statements for the Financial Year as at March 31, 2018, 2017, 2016, 2015 and 2014. Hence, examination of Interim Financial Statements was not required as all the statements considered by us were approved by the Board of Directors and Audited by the respective Auditors as mentioned in Para 3 above. Hence, our opinion on interim financial information is not required.
- 5) In accordance with the requirement of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:
- The Restated Summary Statement of Assets and Liabilities of the Company, including as at 31<sup>st</sup> March 2014 & 31<sup>st</sup> March 2015 examined and reported upon by M/s. Sanjay Chindaliya & Co. Chartered Accountants, 31<sup>st</sup> March 2016 examined and reported upon M/s. D. H. Borvale & Co. Chartered Accountants, 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2018 examined and reported upon by M/s S. D. Chopde & Co. on which reliance has been placed by us, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in "**Notes on Restatements made in the Restated Accounts**".
  - The Restated Summary Statement of Profit and Loss of the Company, including for the years ending 31<sup>st</sup> March 2014 & 31<sup>st</sup> March 2015 examined by M/s. Sanjay Chindaliya & Co. Chartered Accountants, 31<sup>st</sup> March 2016 examined by M/s. D. H. Borvale & Co. Chartered Accountants, 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2018 examined by M/s S. D. Chopde & Co., and who have submitted their report on which reliance has been placed by us, and each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were

appropriate and more fully described in Annexure – “**Notes on Restatements made in the Restated Accounts**”.

- c) The Restated Summary Statement of Cash Flows of the Company, including for the years ending 31<sup>st</sup> March 2014 & 31<sup>st</sup> March 2015 examined by M/s. Sanjay Chindaliya & Co. Chartered Accountants, 31<sup>st</sup> March 2016 examined by M/s. D. H. Borvale & Co. Chartered Accountants, 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2018 examined by M/s. S. D. Chopde & Co., and who have submitted their report on which reliance has been placed by us, and each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure – “**Notes on Restatements made in the Restated Accounts**”.
- d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors, we further report that the Restated Standalone Financial Information:
  - i. 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 changed accounting policy for all the reporting periods;
  - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - iii. 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.
  - iv. There are no qualifications in statutory audit report of previous years and hence no adjustments are required in Restated Financial Statements on this account.
- 6) We have also examined the following Restated Financial Information of the Company set out in Annexures prepared by the Management and approved by the Board of Directors for the year ended March 31, 2018, 2017, 2016, 2015 and 2014. This information has been included based upon the reports submitted by previous auditors, and relied upon by us:
  - a) Annexure 1-4 - Statement of Restated Financial Statements as at March 31, 2014, 2015, 2016, 2017, 2018.
  - b) Annexure 5-Statement of Details of Share Capital as at March 31, 2014, 2015, 2016, 2017, 2018.
  - c) Annexure 6-Statement of Details of Reserves & Surplus as at March 31, 2014, 2015, 2016, 2017, 2018.
  - d) Annexure 7 -Summary Statement of Accounting Ratios, as Restated.
  - e) Annexure 8 -Summary Statement of Capitalization, as Restated.
  - f) Annexure 9-Summary Statement of Tax Shelters.
  - g) Annexure 10-Statement of Details of Long Term Borrowings, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
  - h) Annexure 11-Statement of Details of Deferred Tax Liabilities, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
  - i) Annexure 12-Statement of Details of Short Term Borrowings, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
  - j) Annexure 13-Statement of Details of Trade Payables as at March 31, 2014, 2015, 2016, 2017,



2018.

- k) Annexure 14-Statement of Details of Other Current Liabilities, as Restated as at year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- l) Annexure 15-Statement of Details of Statement of Short Term Provisions, as Restated as at year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- m) Annexure 16-Statement of Details of Fixed Assets, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
- n) Annexure 17-Statement of Details of Long Term Loans and Advances, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
- o) Annexure 18-Statement of Details of Inventories of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- p) Annexure 19-Statement of Details of Trade Receivables, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
- q) Annexure 20 -Statement of Details of Cash and Cash Equivalents of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- r) Annexure 21 -Statement of Short- Term Loans and Advances, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
- s) Annexure 22 -Statement of Details of Other Current Assets, as Restated as at March 31, 2014, 2015, 2016, 2017, 2018.
- t) Annexure 23-Statement of Details of Revenues from Operations of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- u) Annexure 24-Statement of Details of Other Income of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- v) Annexure 25-Statement of Details of Cost of Material Consumed of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- w) Annexure 26-Statement of Details of Changes in Inventories of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- x) Annexure 27-Statement of Details of Employee Benefit Expenses of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- y) Annexure 28-Statement of Details of Finance Cost of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- z) Annexure 29-Statement of Details of Depreciation of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- aa) Annexure 30-Statement of Details of Other Expenses of the Company for the year ended on March 31, 2014, 2015, 2016, 2017, 2018.
- bb) Annexure 31-Summary Statement of Related Party Transactions.
- cc) Annexure 32- Other relevant information – Proforma Financial Statements.

According to the information and explanation given to us and also as per the reliance placed on the reports submitted by the previous auditors, in our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in **Annexure 1 to 32** accompanying this report, read with Summary of Significant Accounting Policies disclosed in **Annexure 4**, are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance note.

- 7) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit report issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 8) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 9) Our report is intended solely for the use of the management for inclusion in the Offer Document to be filled with National Stock Exchange of India Limited (SME Platform - EMERGE) / Securities and Exchange Board of India, Mumbai, Maharashtra in connection with the proposed issue of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For HMA & Associates**  
**Chartered Accountants**  
**FRN - 100537W**

**CA Anand D. Joshi**  
**Partner**  
**Membership No. 113805**  
Place - Pune  
Date - August 08, 2018

## ANNEXURE-01

## STATEMENT OF ASSETS &amp; LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	1,113.98	499.00	499.00	333.28	95.28
Reserve & Surplus	2,259.49	79.51	26.24	(3.79)	(5.52)
<b>Total (A)</b>	<b>3,373.47</b>	<b>578.51</b>	<b>525.24</b>	<b>329.50</b>	<b>89.76</b>
<b>Non -Current Liabilities</b>					
Long Term Borrowings	1,818.03	933.32	810.02	150.05	-
Deferred Tax Liabilities (Net)	43.03	0.21	-	-	-
Other Long Term Liabilities	-	-	-	-	-
<b>Total (B)</b>	<b>1,861.06</b>	<b>933.53</b>	<b>810.02</b>	<b>150.05</b>	<b>-</b>
<b>Current Liabilities</b>					
Short Term Borrowings	1,626.16	101.93	-	-	-
Trade Payables	3,144.95	778.74	52.46	9.32	-
Other Current Liabilities	470.52	78.20	81.72	0.43	-
Short Term Provisions	287.18	35.09	21.88	0.97	0.17
<b>Total (C)</b>	<b>5,528.81</b>	<b>993.96</b>	<b>156.06</b>	<b>10.72</b>	<b>0.17</b>
<b>Total (D=A+B+C)</b>	<b>10,763.34</b>	<b>2,506.00</b>	<b>1,491.32</b>	<b>490.27</b>	<b>89.93</b>
<b>Assets</b>					
<b>Fixed Assets:</b>					
a. Tangible Assets	4,095.81	608.21	149.54	-	-
b. Intangible Assets	-	-	-	-	-
c. Capital Work-in-Progress	890.31	1,382.55	860.32	483.08	-
Deferred Tax Asset (Net)	-	-	0.73	-	-
Long Term Loans & Advances	240.20	29.91	179.89	-	58.04
Non-Current Investments	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-
<b>Total (E)</b>	<b>5,226.32</b>	<b>2,020.68</b>	<b>1,190.48</b>	<b>483.08</b>	<b>58.04</b>
<b>Current Assets</b>					
Current Investments	-	-	-	-	-
Inventories	2,241.00	106.41	51.93	-	-
Trade Receivables	2,248.50	-	-	-	-
Cash & Bank Balances	501.69	182.82	101.58	1.27	31.89
Short Term Loans & Advances	29.67	5.95	5.36	5.36	-
Other Current Assets	516.16	190.14	141.97	0.56	-
<b>Total (F)</b>	<b>5,537.02</b>	<b>485.33</b>	<b>300.84</b>	<b>7.19</b>	<b>31.89</b>
<b>Total (G=E+F)</b>	<b>10,763.34</b>	<b>2,506.00</b>	<b>1,491.32</b>	<b>490.27</b>	<b>89.93</b>

## ANNEXURE-02

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Income</b>					
Revenue from Operations	11,954.82	658.80	215.88	13.50	-
Other Income	28.42	0.97	-	0.40	-
<b>Total</b>	<b>11,983.24</b>	<b>659.77</b>	<b>215.88</b>	<b>13.90</b>	<b>-</b>
<b>Expenditure</b>					
Cost of Material Consumed	8,092.36	433.04	128.22	-	-
Purchase of Stock in Trade	-	-	-	-	-
Change in inventories of Finished Goods, Stock-in-Trade & Scrap	(352.48)	(23.93)	(28.13)	-	-
Employees Costs	802.45	14.06	10.07	5.29	
Finance Cost	447.29	26.18	7.06	0.22	
Depreciation	392.13	30.85	3.69	-	-
Other Expenses	1,791.21	113.04	56.07	5.88	5.39
<b>Total</b>	<b>11,172.96</b>	<b>593.24</b>	<b>176.97</b>	<b>11.39</b>	<b>5.39</b>
<b>Profit before exceptional &amp; extra-ordinary items &amp; tax</b>	<b>810.28</b>	<b>66.53</b>	<b>38.91</b>	<b>2.51</b>	<b>(5.39)</b>
Exceptional Items	-	-	-	-	-
<b>Profit before extra-ordinary items &amp; tax</b>	<b>810.28</b>	<b>66.53</b>	<b>38.91</b>	<b>2.51</b>	<b>(5.39)</b>
Extra ordinary items	-				
<b>Profit before tax</b>	<b>810.28</b>	<b>66.53</b>	<b>38.90</b>	<b>2.51</b>	<b>(5.39)</b>
<b>Less: Provision for Taxes:</b>					
Current Tax	177.14	12.31	9.61	0.78	-
Deferred Tax	42.82	0.94	(0.73)	-	-
Dividend Distribution Tax	-	-	-	-	-
<b>Profit/Loss for the period from continuing operations</b>	<b>590.32</b>	<b>53.27</b>	<b>30.03</b>	<b>1.73</b>	<b>(5.39)</b>

## ANNEXURE - 03

## STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before taxes	810.28	66.52	38.91	2.51	(5.39)
<b>Adjustment for:</b>					
Add: Depreciation	392.12	30.85	3.69	-	-
Add: Interest & Finance Charges	430.44	26.05	6.13	0.22	-
Less – Interest & Dividend Income	(17.44)	(0.90)	-	(0.40)	-
Add: Income Tax	126.93	-	-	-	-
Add – Other Adjustments:	109.50	-	-	-	0.07
Less: Loss on Sale of Fixed Assets					
Operating Profit before Working capital changes	<b>1,851.83</b>	<b>122.52</b>	<b>48.73</b>	<b>2.33</b>	<b>(5.32)</b>
<b>Adjustments for:</b>					
Decrease (Increase) in Trade & Other Receivables	(2,248.50)	-	-	-	-
Decrease (Increase) in Short Term Loans & Advances	(23.72)	(0.59)	-	(5.36)	-
Decrease (Increase) in Inventories	(2,134.58)	(54.49)	(51.93)	-	-
Decrease (Increase) in Other Current Assets (Excluding Advance Tax & TDS)	(199.08)	(48.16)	(141.40)	(0.56)	-
Increase (Decrease) in Trade Payables	2,366.21	726.28	43.14	9.32	-
Increase (Decrease) in Other Current Liabilities	392.32	(3.52)	81.28	0.43	-
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	252.07	13.21	20.91	0.80	0.04
Decrease (Increase) in Long Term Loans & Advances	(210.29)	149.98	(179.88)	58.04	(58.04)
Net Changes in Working Capital	<b>(1,805.58)</b>	<b>782.71</b>	<b>(227.88)</b>	<b>62.67</b>	<b>(58.00)</b>
Cash Generated from Operations	45.64	905.22	(179.15)	65.00	(63.32)
Less Taxes	177.14	12.31	9.61	0.77	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(130.89)</b>	<b>892.93</b>	<b>(188.76)</b>	<b>64.23</b>	<b>(63.32)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Sale / (Purchase) of Fixed Assets	(3,557.20)	(1,011.75)	(530.48)	(483.08)	-
Decrease (Increase) in Investments	-	-	-	-	-
Interest & Dividend Income	17.44	0.90		0.40	
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(3,539.76)</b>	<b>(1,010.85)</b>	<b>(530.48)</b>	<b>(482.68)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of share capital	2,011.00	-	165.72	238.00	94.28
Interest & Finance Charges	(430.44)	(26.05)	(6.13)	(0.22)	-
Increase / (Repayment) of Long Term Borrowings	884.71	123.30	659.96	150.05	-
Increase / (Repayment) of Short Term Borrowings	1,524.23	101.93	-	-	-
Dividend and Dividend Distribution Tax	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>3,989.50</b>	<b>199.18</b>	<b>819.56</b>	<b>387.83</b>	<b>94.28</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>318.86</b>	<b>81.26</b>	<b>100.31</b>	<b>(30.62)</b>	<b>30.96</b>

Cash and cash equivalents at the beginning of the year / Period	182.84	101.58	1.27	31.89	0.93
Cash and cash equivalents at the end of the year/ Period	501.70	182.84	101.58	1.27	31.89

Note:

1. The issuance of equity share capital is for consideration other than cash against purchase of business of group entities. However, the same is included in cash flow statement above for purpose of reconciliation with the assets acquired.
2. The figures in the Restated Cash flows are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

#### ANNEXURE-04

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

#### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of Preparation of Financial Statements

- a. The Restated Financial Information for the year ended March 31, 2014, 2015, 2016, 2017, 2018 has been extracted by the management of the Company from the audited financial statements of the company for the year ended March 31, 2014, 2015, 2016, 2017, 2018.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B (1) of Part II of Schedule II of The Companies Act and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and evaluated on a going concern basis using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, and the requirements of Companies Act, 1956 (upto March 31, 2014), and notified sections, schedules and rules of the Companies Act, 2013 (w.e.f. April 01, 2014), including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules, 2014).
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

##### 2. Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit

plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

### 3. **Fixed Assets and Depreciation**

- i. Fixed Assets are shown at historical cost net of recoverable taxes inclusive of incidental expenses less accumulated depreciation.
- ii. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.
- iii. Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV Companies Act, 1956. Pursuant to commencement of Companies Act, 2013, effective 1<sup>st</sup> April, 2014 the company has reviewed and revised the estimated economic useful lives of its fixed assets generally in accordance with Schedule II of Companies Act, 2013 and the depreciation for FY 2014-15 and onwards is charged accordingly.
- iv. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

### 4. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sale of goods and services are recognized net of duties, taxes & Sales Returns. Expenditure & income are accounted on accrual basis including provisions/adjustments for committed obligations & amounts determined payable or receivable during the year.

Sales of goods are recognized when property in goods has been transferred to the buyer for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership whereas revenue from service is recognized as and when the services are rendered, based on the agreements/arrangements with the concerned parties.

Rental Income is recognized on time proportionate basis over the period of the rent. Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

### 5. **Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.



## 6. Employee Benefits

### *(i) Short Term Employee Benefits:*

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Profit and Loss Account.

### *(ii). Defined Contribution Plans:*

Contribution to define Contribution Schemes Such as Provident fund are charged off to the Profit and Loss Account during the year in which employee rendered the related service.

### *(iii). Defined Benefits Plans:*

The company also provides employee benefit in the form of gratuity, the liability of which is accounted on accrual basis. The company has done actuarial valuation in compliance of Accounting Standard – 15

### *(iv). Other Long Term Benefits:*

Leave Encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as company's policy on cash basis. However, till date the company does not have any policy for Leave encashment.

## 7. Impairment of Assets

The company assesses at each reporting date an indication about impairment of an asset. If any indication exists, the company estimates the asset's recoverable amount. The recoverable amount is determined for individual asset. The recoverable amount is higher of the selling price & value in use of the asset. The value in use is estimated on the basis of estimated future cash flows for next 5 years discounted to the present value by using pre-tax discount rate that reflects time value of the money and the risk specific to the asset. Where the carrying amount of the asset exceeds the recoverable amount, the asset is considered to be impaired & is written down to its recoverable value.

Impairment losses are recognized in the Statement of Profit & Loss and the depreciation is provided on the revised carrying amount of the asset after impairment.

If the previously recognized impairment losses do not exist or have decreased, the same are reversed and the reversible is limited so that carrying amount does not exceed the recoverable amount.

## 8. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

9. **Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date, the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

10. **Leases**

**Finance Lease**

Leases which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates.

**Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

11. **Earnings per Share**

The earnings considered in ascertaining the Company's earnings per share are net profit after tax. The number of shares is considered on weighted average basis. Partly paid equity shares are treated as fraction of equity share to the extent they are entitled to participate in dividends. For the purpose of calculating dilutive EPS, the net profit attributable to equity shareholders and weighted average number of shares are adjusted for the effect of Dilutive Potential Equity shares.

12. **Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. According to the management of the company, there are no Contingent Liabilities as on the date of Balance Sheet which needs to be disclosed. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

13. **Foreign Exchange Transactions**

Foreign Currency transactions are recorded in reporting currency at the exchange rate prevailing on the date of transaction. On the reporting date monetary items are retranslated by

using the exchange rate prevailing on the reporting date. Foreign exchange difference related to acquisition of Fixed Assets and loans related to it is adjusted in the carrying amount of Fixed Asset and the loan amount. Income or expenditure arising out of exchange fluctuation other than Fixed Assets and loans on such assets is accounted for in the Statement of Profit and Loss. In case of forward exchange contract, the difference between forward rate & the rate on the date of transaction should be recognized as income & expenditure over the life of contract.

#### 14. Inventory Valuation

Valuation of Raw Material & components, Work in Process and Finished goods is done at lower of the cost of acquisition (after adjusting Cenvat & Vat credit available) or net realizable value. Cost includes direct materials, labour and proportion of manufacturing overheads applied to bring inventories to their present location and condition.

#### 15. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS.

There has been change in accounting policy for charging depreciation on fixed assets from Written down Method (WDV) of Companies Act, 1956 to useful life of such asset as specified in Schedule II of Companies Act 2013 and to give effect to this change the figures have been restated in the "Restated Financial Statements".

### C. NOTES ON RESTATED FINANCIAL STATEMENTS

#### Notes on restatements made in the Restated Financials

(Rs. in Lacs)

Financial Year / Period ended	For the year ended as on 31 <sup>st</sup> March,				
	2018	2017	2016	2015	2014
Profit after tax as per Audited Statement of Account(A)	5,90.32	17.36	2.50	2.50	(5.32)
Other Adjustments*	Nil	48.22	35.95	0.01	(0.07)
Tax impact due to other adjustments	Nil	12.31	8.42	0.78	
<b>Profit after tax as per Restated Profit&amp; Loss(A)</b>	<b>590.32</b>	<b>53.27</b>	<b>30.03</b>	<b>1.73</b>	<b>(5.39)</b>

\* Adjustments have been made while restating the financials to give effect to the change in the accounting policy for charging depreciation on fixed assets. Accordingly, the related figures i.e. Depreciation, Provision for Income Tax, Provision for Deferred Tax has been restated.

**(III) OTHER NOTES****General**

1. The Company was originally incorporated as Spectrum Polytech Private Limited under the Companies Act, 1956 on August 12, 2008. Name of the Company was changed to Spectrum Electrical Component Private Limited and a fresh Certificate of Incorporation dated March 11, 2014 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name was later changed to Spectrum Electrical Industries Pvt. Ltd. on June 14, 2018. The Company was then converted into a Public Limited Company and the name was changed to Spectrum Electrical Industries Limited on June 20, 2018.

**2. Contingent liabilities**

As explained to us by the management of the company, there are no contingent liabilities.

**3. Dues to Micro enterprises and Small enterprises**

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company has not disclosed the same separately as information about the same is not available.

4. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

**5. Earnings per Share**

The details of Earnings Per Share as per AS-20 are provided in Annexure 07.

**6. Related Party Transactions**

The details of Related Party Transactions as per AS-18 are provided in Annexure 31.

**7. Dividend**

Company has not declared or paid any dividend in previous 5 (five) years.

8. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

**Annexure - 05****STATEMENT OF SHARE CAPITAL, AS RESTATED**

(Rs. In Lacs)					
Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Authorized Share Capital :</b>					
No. Of Equity Shares (Face value of Rs.100/- Each)	11,20,000	5,00,000	5,00,000	5,00,000	5,00,000
Equity Share Capital	1,120.00	500.00	500.00	500.00	500.00
<b>Total</b>	<b>1,120.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, Subscribed and Paid Up Capital :</b>					
No. Of Equity Shares (Paid up value of Rs.100/- Each)	11,13,984	4,99,000	4,99,000	3,33,280	95,280

Equity Share Capital	1,113.98	499.00	499.00	333.28	95.28
<b>Total</b>	<b>1,113.98</b>	<b>499.00</b>	<b>499.00</b>	<b>333.28</b>	<b>95.28</b>

Note: - The Equity share capital is sub-divided from Face Value of Rs. 100 each to Rs. 10 each after March 31, 2018, and the current issued and subscribed equity share capital comprises of Rs.11,20,00,000/- divided into 1,12,00,000 Equity Shares of Rs. 10/- each pursuant to sub-division of equity shares in the ratio of 1:10.

**Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

Particulars	31-03-2018		31-03-2017		31-03-2016	
	No.	Amount	No.	Amount	No.	Amount
Equity Shares						
At the beginning of period	4,99,000	4,99,00,000	4,99,000	4,99,00,000	3,33,280	3,33,28,000
<b>Issued during the period:</b>						
Fresh issue for cash	6,14,984	6,14,98,400	-	-	1,65,720	1,65,72,000
Bonus shares	-	-	-	-	-	-
<b>Outstanding at the end of period</b>	<b>11,13,984</b>	<b>11,13,98,400</b>	<b>4,99,000</b>	<b>4,99,00,000</b>	<b>499,000</b>	<b>4,99,00,000</b>

Particulars	31-03-2015		31-03-2014	
	No.	Amount	No.	Amount
Equity Shares				
At the beginning of period	95,280	95,28,000	1,000	1,00,000
<b>Issued during the period:</b>				
Fresh issue for cash	2,38,000	2,38,00,000	94,280	94,28,000
Bonus shares	-	-	-	-
<b>Outstanding at the end of period</b>	<b>3,33,280</b>	<b>3,33,28,000</b>	<b>95,280</b>	<b>95,28,000</b>

**Annexure- 06**

**STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED**

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Profit / (Loss) Brought Forward	79.51	26.24	(3.79)	(5.52)	(0.13)
<b>Add:</b> Profit / (Loss) for the Year	590.32	53.27	30.03	1.73	(5.39)
<b>Add:</b> Appropriations					
<b>Less:</b> Appropriations					
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00
Interim / Proposed final equity Dividend	0.00	0.00	0.00	0.00	0.00
Depreciation Adjustment	84.87	0.00	0.00	0.00	0.00
Provision for Deferred tax	23.33	0.00	0.00	0.00	0.00
Income Tax	0.00	0.00	0.00	0.00	0.00
<b>Profit / (Loss) Carried Forward (A)</b>	<b>561.63</b>	<b>79.51</b>	<b>26.24</b>	<b>(3.79)</b>	<b>(5.52)</b>
<b>Securities Premium</b>					
Opening Balance	0.00	0.00	0.00	0.00	0.00
Additions during the year	1,396.02	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Closing Balance	1,396.02	0.00	0.00	0.00	0.00
<b>Capital Reserve</b>					
Opening Balance	0.00	0.00	0.00	0.00	0.00

Additions during the year	301.85	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Closing Balance	301.85	0.00	0.00	0.00	0.00
<b>Reserves &amp; Surplus (A-B+C)</b>	<b>2,259.50</b>	<b>79.51</b>	<b>26.24</b>	<b>(3.79)</b>	<b>(5.52)</b>

## Annexure- 07

## STATEMENT OF ACCOUNTING RATIOS, AS RESTAED

(Rs. In Lacs, except per share data)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Net Worth ( A )	3,373.48	578.51	525.24	329.50	89.76
Net Profit after Tax ( B )	590.32	53.27	30.03	1.73	(5.39)
No. of Shares outstanding at the end [F.V Rs.100] ( C )	11,13,984	4,99,000	4,99,000	3,33,280	95,280
Weighted average number of shares [F.V Rs.100] ( D )	8,06,492	4,99,000	4,16,140	2,61,920	48,640
Earnings per Share (EPS) (B / C) (Rs.)	73.20	10.68	7.22	0.66	(11.08)
Return on Net Worth (B / A)	17.50%	9.21%	5.72%	0.53%	(6.00)%
Net Assets Value per Share (A / C)	302.83	115.93	105.26	98.86	94.21

Notes: -

1. Company has not issued any Bonus shares in last five years, therefore restated ratios are not calculated.
2. On April 10, 2018, authorized Share Capital of the Company was reclassified from Rs. 11,20,00,000/- divided into 11,20,000 Equity Shares of Rs. 100/- each to Rs.11,20,00,000/- divided into 1,12,00,000 Equity Shares of Rs. 10/- each pursuant to sub-division of equity shares in the ratio of 1:10. Accounting ratios for all the years are recomputed to give effect of this sub- division and the same is presented below: -

In Rs. Lakhs

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Net Worth ( A )	3,373.48	578.51	525.24	329.50	89.76
Net Profit after Tax ( B )	590.32	53.27	30.03	1.73	(5.39)
No. of Shares outstanding at the end [F.V Rs.10] ( C )	1,11,39,840	49,90,000	49,90,000	33,32,800	9,52,800
Earnings per Share (EPS) (B / C) (Rs.)	5.30	1.07	0.60	0.05	(0.57)
Net Assets Value per Share (A / C)	30.28	11.59	10.53	9.89	9.42

Definitions of key ratios:

I. Earnings per share (Rs.): Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue, the bonus shares has been added to corresponding year to the extent of reserves available in the corresponding year / period. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

II. Return on Net Worth (%): Net Profit after tax / Net worth as at the end of the year / period.

III. Net Asset Value (Rs.): Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

**Annexure -08**  
**STATEMENT OF CAPITALISATION, AS RESTAED**

(Rs. In Lacs)

Particulars	Pre-issue as at 31.03.2018	Post Issue *
Borrowing		
Short - Term Debt	1,626.16	1,626.16
Long - Term Debt	1,818.03	1,818.03
Total Debt	<b>3444.19</b>	<b>3444.19</b>
Shareholders' Funds		
Share Capital		
- Equity	1,113.98	1511.98
Less: Calls - in - arrears	-	-
- Preference	-	-
Reserves & Surplus	2,259.50	4,448.50
Total Shareholders' Funds	<b>3,373.50</b>	<b>5,960.50</b>
Long - Term Debt / Shareholders Fund	0.54	0.31
Short - Term Debt / Shareholders Fund	0.48	0.27

\* Assuming full subscription to the issue at the price mentioned in the Prospectus.

**Annexure- 09**  
**STATEMENT OF TAX SHELTERS, AS RESTAED**

(Rs. In Lacs)

	Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
A	Restated profit before taxes	810.28	66.52	38.91	2.51	(5.39)
B	Statutory tax rate (%)	27.55%	29.87%	30.90%	30.90%	30.90%
C	Tax at Statutory Rate (A* B)	223.23	19.87	12.02	0.78	0.00
	<b>Adjustment for Permanent Differences</b>					
i	Interest on delay payment on tax	0	0	0	0	0
ii.	CSR Expenditure	0	0	0	0	0
iii.	Any other items or items of additions under section 28 to 44DA	0	0	0	0	0
iv.	Prior period adjustments as per restatement, disallowed in respective years	0	0	0	0	0
D	Other expenses disallowed as per Income Tax Act, 1961	0	0	0	0	0
	<b>Total Permanent Differences</b>	0	0	0	0	0



	<b>Adjustment for Timing Differences</b>	-	-	-	-	-
i	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(138.56)	(51.71)	(7.8)	0	-
ii.	Provision for doubtful debts	-	-	-	-	-
iii.	Profit on sale of fixed assets	0	0	0	0	0
iv.	Provision for employee benefit expenses	0	0	0	0	0
v.	Other deductions	0	0	0	0	0
<b>E</b>	<b>Total Timing Differences</b>	<b>-138.56</b>	<b>-51.71</b>	<b>-7.8</b>	<b>0</b>	<b>0</b>
<b>F</b>	<b>Net Adjustments (D+E)</b>	<b>-138.56</b>	<b>-51.71</b>	<b>-7.8</b>	<b>0</b>	<b>0</b>
<b>G</b>	<b>Tax expense/ (saving) thereon (F*B)</b>	<b>-38.17</b>	<b>-15.45</b>	<b>-2.41</b>	<b>0.00</b>	<b>0.00</b>
<b>H</b>	<b>Current Tax (C+G)</b>	<b>185.06</b>	<b>4.42</b>	<b>9.61</b>	<b>0.78</b>	<b>0.00</b>
	<b>Calculation of MAT</b>					
<b>I</b>	<b>Taxable income (Book Profits) as per MAT</b>	<b>810.28</b>	<b>66.52</b>	<b>38.91</b>	<b>2.51</b>	<b>-5.39</b>
<b>J</b>	<b>MAT Rate (%)</b>	<b>18.50%</b>	<b>18.50%</b>	<b>18.50%</b>	<b>18.50%</b>	<b>18.50%</b>
<b>K</b>	<b>Tax liability as per MAT (I*J)</b>	<b>149.90</b>	<b>12.31</b>	<b>7.20</b>	<b>0.46</b>	<b>0.00</b>
<b>L</b>	<b>Current tax being higher of H or K</b>	<b>185.06</b>	<b>12.31</b>	<b>9.61</b>	<b>0.78</b>	<b>0.00</b>
<b>N</b>	<b>MAT credit entitlement</b>	<b>-7.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>O</b>	<b>Deferred tax</b>	<b>42.82</b>	<b>0.94</b>	<b>(0.73)</b>	<b>0.00</b>	<b>0.00</b>
<b>P</b>	<b>Total tax expenses ( L+N+O)</b>	<b>219.96</b>	<b>13.25</b>	<b>8.88</b>	<b>0.78</b>	<b>0.00</b>

**Annexure - 10**  
**STATEMENT OF DETAILS OF LONG TERM BORROWINGS, AS RESTAED**

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Secured:</b>					
Term Loan from Banks and Financial Institutions	1,741.71	859.66	747.92	-	-
<b>Unsecured:</b>					
Loan from Directors and Shareholders	76.32	73.65	62.09	150.05	-
Inter Corporate Loans and Deposits	-	-	-	-	-
Loan from Financial Institutions / NBFC	-	-	-	-	-
<b>Total</b>	<b>1,818.03</b>	<b>933.32</b>	<b>810.02</b>	<b>150.05</b>	<b>0.00</b>

**A. Nature of Security & Terms of Repayment**

1.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 12 EMI of Rs.5 lakh, 12 EMI of Rs. 7.50 lakh, 12 EMI of Rs 8.00 Lakh & 12 EMI of Rs. 10 Lakh, 22 EMI of Rs 23.22 lakh, 1 EMI of Rs 27.16 commencing from 31/03/2017 & 10/03/2023 ending on with rate of interest charged @ 9.10%. ( Takeover of existing T/L From SIDBI)
2.Term loan AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 24 EMI of Rs.1 lakh, 24 EMI of Rs 2 lakh & 39 EMI 2.60 lakh. 1 EMI of 3.60 lakh commencing from 10/10/2018 & 10/12/2024 ending on with rate of interest charged @ 9.10%.

3.Term loan AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 24 EMI of Rs.1 lakh, 24 EMI of Rs. 2 lakh & 39 EMI 2.60 lakh. 1 EMI of 3.60 lakh commencing from 10/04/2017 & 10/03/2021 ending on with rate of interest charged @ 9.90%.
4.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 55 EMI of Rs.1.55 lakh , 1 EMI of 2.93 lakh commencing from 10/04/2017 & 10/12/2021 ending on with rate of interest charged @ 9.90%.
5.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 11 EMI of Rs.1.85 lakh & 1 EMI of Rs .1.95 lakh commencing from 10/07/2017 & 10/03/2018 ending on with rate of interest charged @ 9.90%.
6.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 44 EMI of Rs. 3.125 lakh , commencing from 10/04/2017 & 10/03/2021 ending on with rate of interest charged @ 9.90%.
7.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 11 EMI of Rs. 1.85 lakh & 1 EMI of Rs 1.95 lakh , commencing from 10/04/2017 & 10/03/2018 ending on with rate of interest charged @ 9.90%.
8.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 45 EMI of Rs. 3.91 lakh & 1 EMI of Rs 3.93 lakh , commencing from 10/04/2017 & 10/02/2022 ending on with rate of interest charged @ 9.90%.
9.Term loan AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 53 EMI of Rs. 1.85 Lakh & 1 EMI of Rs 1.95 lakh , commencing from 10/04/2017 & 10/10/2021 ending on with rate of interest charged @ 9.90%.
10.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipment, computers, furniture & fixtures. The loan is repayable in 83 EMI of Rs. 1.72 lakh & 1 EMI of 1.08 lakh , commencing from 10/04/2017 & 10/04/2021 ending on with rate of interest charged @ 9.10%.
11.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipment, computers, furniture & fixtures. The loan is repayable in 83 EMI of Rs. 3.50 lakh & 1 EMI of 3.25 lakh , commencing from 10/04/2017 & 10/04/2024 ending on with rate of interest charged @ 9.10%.
12.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 83 EMI of Rs. 1.20 lakh & 1 EMI of Rs. 0.40 lakh , commencing from 10/04/2017 & 10/04/2021 ending on with rate of interest charged @ 9.10%.
13.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 16 EMI of Rs. 1.5 lakh, 22EMI of 2 lakh & 1 EMI of 6 lakh commencing from 10/04/2017 & 10/08/2019 ending on with rate of interest charged @ 9.90%.
14.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 58 EMI of Rs. 1.67 lakh & 1 EMI of rs.1.47 lakh commencing from 10/04/2017 & 10/02/2022 ending on with rate of interest charged @ 9.90%.
15.Term loan from AXIS BANK LTD., Jalgaon is secured by hypothecation of machineries, tools & accessories, office equipments, computers, furniture & fixtures. The loan is repayable in 45 EMI of Rs. 1.67 lakh & 1 EMI of Rs.1.47 lakh commencing from 10/04/2017 & 10/02/2022 ending on with rate of interest charged @ 9.90%.
* Collateral security offered to SIDBI (2015-16) :- All the current Assets of the company including stock, raw material, stock in process, finished & semi-finished goods, consumable stores and book debts etc. both present and future.

## B. Particulars of Properties offered as collateral securities

1.Gat No. 139/1, admeasuring 36500 sq. mtrs and Gat No. 139/2, admeasuring 25300 sq.mtrs aggregating 61800 sq. mtrs (out of which land admeasuring 36000 sq. mtrs is NA land) and the remaining 25800 sq. mtrs is Agri Land) at Post Umale, Taluka and District Jalgaon. (Owned by Deepak S Chaudhari )
2.Resindetial Flat owned by Sunil Prahalad Jangle and Meena Sunil Jangle. at Flat No.602, 6th floor "A" wing, Eldora CHSL, Hiranandani Gardens, Near Hiranandani Hospital, Powai, Mumbai 400076 adm area 1755 sq.fts together with parking space common facilities etc. constructed on land bearing survey no. 37, CTS No.104, 104/1 to 104/7 of Kurla, situated at village Tirandaz

3.Factory Land & Building at Plot No. G12, Ambad MIDC, Nashik
4.Factory Land & Building at Plot No. W-27, Satpur MIDC, Nashik
5.Factory Land & Building at Plot No. C-2/1 & 2, MIDC, Jalgaon
6.Factory Land & Building at Plot No. J-73, MIDC, Jalgaon
7.Residential House owned by Mr. Deepak Suresh Chaudhari at Plot No. 39A, Near Lions Hall, Adarsh Nagar, Jalgaon
8.Factory Land & Building at Plot No. J-76/1, MIDC, Jalgaon
9.Factory Land & Building at Plot No. V-195, MIDC, Jalgaon
10.Residential Bungalow owned by Mr. Deepak Suresh Chaudhari at Plot No.34, admeasuring 483.10 sq. mtrs in city survey no. 6222, out of field Survey No. 444, Mouza Mehrun, situated at Adarsh Nagar, Near Lions's Hall, Jalgaon.
11. Vehicle Loan: Secured against hypothecation of respective vehicles and repayable within 5 years from date of disbursement.

**Annexure - 11****STATEMENT OF DETAILS OF DEFERRED TAX LIABILITY, AS RESTAED****(Rs. In Lacs)**

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Opening Deferred Tax Liability/ (Assets)	0.21	(0.73)	0.00	0.00	0.00
<b>Changes during the year:</b>					
Difference in Book Dep. & I.T. Depreciation	138.56	3.06	(2.38)		
Other Timing Differences	0.00	0.00	0.00		
	<b>138.56</b>	<b>3.06</b>	<b>(2.38)</b>	<b>0.00</b>	<b>0.00</b>
Loss for the year	0.00	0.00	0.00		
Previous year loss recovered	0.00	0.00	0.00		
Net change during the year	138.56	3.06	(2.38)	0.00	0.00
Tax attributable to the above	42.82	0.94	(0.73)		
Deferred Tax liability due to change in Tax rates	0.00	0.00	0.00		
<b>Closing Deferred Tax Liability/ (Assets)</b>	<b>43.03</b>	<b>0.21</b>	<b>(0.73)</b>	<b>0.00</b>	<b>0.00</b>

**Annexure - 12****STATEMENT OF DETAILS OF SHORT TERM BORROWINGS, AS RESTAED****(Rs. In Lacs)**

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Secured:</b>					
Cash Credit facility from Banks and Financial Institutions*	1,626.16	101.93	-	-	-
<b>Unsecured:</b>					
Loan from Promoter, Promoter Group and related parties	-	-	-	-	-
Temporary Bank Overdraft / Overdrawn Cheques	-	-	-	-	-
<b>Total</b>	<b>1,626.16</b>	<b>101.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Annexure – 13

## STATEMENT OF DETAILS OF TRADE PAYABLES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Dues to Micro, Small and Medium Enterprises	-	-	-	-	-
Others					
Trade Payable for Goods	2,652.31	-	-	-	-
Trade Payable for Services	86.48	778.74	-	-	-
Trade Payable for Capital Goods	406.17	-	-	-	-
<b>Total</b>	<b>3,144.95</b>	<b>778.74</b>	<b>52.46</b>	<b>9.32</b>	<b>-</b>
Out of above dues to Promoter, Promoter Group and related parties	-	-	-	-	-

**Note:** Dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 including bifurcation of Principle & Interest is not provided as the same is not available with the company.

## Annexure – 14

## STATEMENT OF DETAILS OF OTHER CURRENT LIABILITIES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Current maturities of Long Term Debt	400.96	59.67	-	-	-
<b>Other Current Liabilities</b>					
Advance from Customers	69.56	-	-	-	-
Other Current Liabilities	470.52	18.53	81.72	0.43	-
<b>Total</b>	<b>470.52</b>	<b>78.20</b>	<b>81.72</b>	<b>0.43</b>	<b>0.00</b>

## Annexure – 15

## STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Provision for employee benefits	61.25	1.74	1.39	0.06	-
<b>Others</b>					
For expenses	27.08	11.85	11.30	0.13	0.17
For Income Tax	198.84	21.50	9.19	0.78	-
<b>Total</b>	<b>287.17</b>	<b>35.09</b>	<b>21.88</b>	<b>0.97</b>	<b>0.17</b>

## Annexure – 16

## STATEMENT OF FIXED ASSETS, AS RESTATED

Rs. Lakhs

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Factory Building</b>					
Opening Balance	0.00	0.00	0.00	0.00	0.00
Addition during the year	354.98	0.00	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00

Accumulated Depreciation	15.58	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	<b>339.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LAND</b>					
Opening Balance	46.10	0.00	0.00	0.00	0.00
Addition during the year	242.99	46.10	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	0.00	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	<b>289.09</b>	<b>46.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>PLANT &amp; MACHINERY</b>					
Opening Balance	562.78	153.24	0.00	0.00	0.00
Addition during the year	2,774.27	409.54	153.24	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	444.40	31.52	3.69	0.00	0.00
<b>Closing Balance</b>	<b>2,892.65</b>	<b>531.26</b>	<b>149.54</b>	<b>0.00</b>	<b>0.00</b>
<b>ELECTRICAL INSTALLATIONS</b>					
Opening Balance	0.00	0.00	0.00	0.00	0.00
Addition during the year	333.43	0.00	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	19.19	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	<b>314.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OFFICE EQUIPMENTS</b>					
Opening Balance	0.00	0.00	0.00	0.00	0.00
Addition during the year	21.20	0.00	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	1.51	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	<b>19.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>SITE DEVELOPMENT</b>					
Opening Balance	0.00	0.00	0.00	0.00	0.00
Addition during the year	14.63	0.00	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	0.46	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	<b>14.17</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>FURNITURE &amp; FIXTURES</b>					
Opening Balance	0.88	0.00	0.00	0.00	0.00
Addition during the year	38.48	0.88	0.00	0.00	0.00

Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	2.24	0.08	0.00	0.00	0.00
<b>Closing Balance</b>	<b>37.12</b>	<b>0.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>VEHICLES</b>					
Opening Balance	15.94	0.00	0.00	0.00	0.00
Addition during the year	153.50	15.94	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	14.83	0.87	0.00	0.00	0.00
<b>Closing Balance</b>	<b>154.61</b>	<b>15.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>COMPUTERS</b>					
Opening Balance	16.88	0.00	0.00	0.00	0.00
Addition during the year	31.11	16.88	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	13.33	2.07	0.00	0.00	0.00
<b>Closing Balance</b>	<b>34.66</b>	<b>14.81</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TRADEMARKS</b>					-
Opening Balance	0.18	0.00	0.00	0.00	0.00
Addition during the year	0.00	0.18	0.00	0.00	0.00
Addition during the year due to revaluation	0.00	0.00	0.00	0.00	0.00
Reduction during the year	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation	0.00	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	<b>0.18</b>	<b>0.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Block</b>	<b>4,095.81</b>	<b>608.22</b>	<b>149.54</b>	<b>0.00</b>	<b>0.00</b>

**CAPITAL WORK IN PROGRESS**

<b>Particulars</b>	<b>31-03-2018</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
Factory Building	627.55	444.92	84.94	25.60	-
Plant & Machinery	0.00	654.28	763.39	457.11	-
Computers (including ERP)	262.76	202.44	-	0.37	-
Electrical Installation	0.00	80.91	11.71	-	-
Furniture & Fixture			0.28	-	-
<b>TOTAL</b>	<b>890.31</b>	<b>1,382.55</b>	<b>860.32</b>	<b>483.08</b>	<b>0.00</b>

## Annexure – 17

## STATEMENT OF DETAILS OF LONG TERM LOANS AND ADVANCES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Security Deposits	91.23	29.91	28.29	-	-
<b>Loans &amp; Advances:</b>	-	-	-	-	-
Promoter Group and related parties	-	-	-	-	-
Others- Capital advances	148.97	-	151.60	-	58.04
<b>Total</b>	<b>240.20</b>	<b>29.91</b>	<b>179.89</b>	<b>-</b>	<b>58.04</b>

## Annexure – 18

## STATEMENT OF DETAILS OF INVENTORIES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Raw Materials	1,006.07	54.36	23.80	-	-
Work In Progress	-	-	-	-	-
Stock In Trade	-	-	-	-	-
Finished Goods	1,234.93	52.06	28.13	-	-
<b>Total</b>	<b>2,241.00</b>	<b>106.41</b>	<b>51.93</b>	<b>-</b>	<b>-</b>

## Annexure – 19

## STATEMENT OF DETAILS OF TRADE RECEIVABLES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>(A) Unsecured, Considered good outstanding for a period less than six months</b>					
Others	2,248.50	-	-	-	-
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-
<b>(B) Unsecured, Considered good outstanding for a period more than six months</b>					
Others	-	-	-	-	-
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-
<b>Total</b>	<b>2,248.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Annexure – 20

## STATEMENT OF DETAILS OF CASH AND CASH EQUIVALENTS, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Cash In Hand and Remittance in transit	21.73	1.33	1.73	1.11	10.93
Balance with Banks :	-	-	-	-	-
a) Non Scheduled Banks:	-	-	-	-	-
Current Accounts	-	-	-	-	-
b) Scheduled Banks:	120.97	181.49	99.85	0.16	20.96
Current Accounts	-	-	-	-	-
Fixed Deposit Accounts	358.99	-	-	-	-
<b>Total</b>	<b>501.69</b>	<b>182.82</b>	<b>101.58</b>	<b>1.27</b>	<b>31.89</b>

## Annexure –21

## STATEMENT OF DETAILS OF SHORT TERM LOANS AND ADVANCES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Related Parties</b>		-	-	-	-
Due from Directors	7.80	-	-	-	-
Due from Officers	-	-	-	-	-
Due from firms or companies in which Directors are interested	-	-	-	-	-
<b>Others</b>	21.87	5.95	5.36	5.36	-
<b>Total</b>	<b>29.67</b>	<b>5.95</b>	<b>5.36</b>	<b>5.36</b>	<b>-</b>

## Annexure –22

## STATEMENT OF DETAILS OF OTHER CURRENT ASSETS, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Statutory Dues	512.90	189.77	141.97	0.56	-
Prepaid Expenses	3.26	0.37	-	-	-
<b>Total</b>	<b>516.16</b>	<b>190.14</b>	<b>141.97</b>	<b>0.56</b>	<b>-</b>

## Annexure – 23

## STATEMENT OF DETAILS OF REVENUE FROM OPERATIONS, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Sales of Manufactured Goods[A]	11,954.82	542.83	156.05	-	-
Sales of Traded Goods [B]	-	-	-	-	-
Sales of Services [C]	-	115.97	59.83	13.50	-
<b>Total [A+B+C ]</b>	<b>11,954.82</b>	<b>658.80</b>	<b>215.88</b>	<b>13.50</b>	<b>-</b>

## Annexure – 24

## STATEMENT OF DETAILS OF OTHER INCOME, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Interest Income	17.44	0.90	-	0.40	-
Other Non-Operative Income	10.98	0.07	-	-	-
<b>Total</b>	<b>28.42</b>	<b>0.97</b>	<b>-</b>	<b>0.40</b>	<b>-</b>

## Annexure – 25

## STATEMENT OF DETAILS OF COST OF MATERIAL CONSUMED, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Raw Material Consumption	8,092.36	433.04	128.22	-	-
<b>Total</b>	<b>8,092.36</b>	<b>433.04</b>	<b>128.22</b>	<b>-</b>	<b>-</b>

## Annexure – 26

## STATEMENT OF DETAILS OF CHANGES IN INVENTORY, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Inventories at the end of the year</b>					
Finished Goods	404.54	52.06	28.13	-	-
Material-In-Progress	-	-	-	-	-
<b>[A]</b>	<b>404.54</b>	<b>52.06</b>	<b>28.13</b>	<b>-</b>	<b>-</b>
<b>Inventories at the beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finished Goods	52.06	28.13	-	-	-
Material-In-Progress	-	-	-	-	-
<b>[B]</b>	<b>52.06</b>	<b>28.13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (Increase)/Decrease [B-A]</b>	<b>(352.48)</b>	<b>(23.93)</b>	<b>(28.13)</b>	<b>-</b>	<b>-</b>

## Annexure – 27

## STATEMENT OF DETAILS OF EMPLOYEE BENEFIT EXPENSES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Payments to &amp; Provisions for Employees</b>					
Salaries, Wages & Bonus	654.19	12.04	9.28	5.29	-
Contribution to Provident & Other Funds	42.17	-	-	-	-
Other Benefits	17.59	2.02	0.79	-	-
Remuneration to Directors	88.50	-	-	-	-
<b>Total</b>	<b>802.45</b>	<b>14.06</b>	<b>10.07</b>	<b>5.29</b>	<b>-</b>

## Annexure – 28

## STATEMENT OF DETAILS OF FINANCE COST, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Interest Expenses	430.44	26.05	6.13	-	-
Bank Charges	6.60	0.13	0.93	0.22	-
Other Borrowing Cost	10.25	-	-	-	-
<b>Total</b>	<b>447.29</b>	<b>26.18</b>	<b>7.06</b>	<b>0.22</b>	<b>-</b>

## Annexure – 29

## STATEMENT OF DETAILS OF DEPRECIATION, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Depreciation on Fixed Assets	392.13	30.85	3.69	-	-
<b>Total</b>	<b>392.13</b>	<b>30.85</b>	<b>3.69</b>	<b>-</b>	<b>-</b>

## Annexure – 30

## STATEMENT OF DETAILS OF OTHER EXPENSES, AS RESTAED

(Rs. In Lacs)

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>MANUFACTURING EXPENSES</b>					
Power and Fuel	380.09	62.47	39.15	-	-
Labour and Processing Charges	808.91	11.63	0.70	-	-
<b>[A]</b>	<b>1,189.00</b>	<b>74.09</b>	<b>39.85</b>	<b>-</b>	<b>-</b>
<b>SELLING AND DISTRIBUTION EXPENSES [B]</b>	-	-	-	-	-
<b>OTHER EXPENSES</b>	-	-	-	-	-
Repairs & Maintenance of:	-	-	-	-	-
a. Buildings	-	-	-	-	-
b. Plant & Machinery	-	-	-	-	-
c. Others	19.94	0.62	0.23	0.03	-
Rent	34.80	8.93	6.42	3.60	-
Professional Fees	25.83	0.69	0.38	0.95	5.28
Travelling	18.90	2.50	0.38	-	-
Preliminary Expenses written off	-	-	-	-	0.07
Legal Expenses	43.61	15.66	5.46	0.75	-
Miscellaneous Expenses	458.69	10.31	3.14	0.45	-
<b>[C]</b>	<b>601.77</b>	<b>38.71</b>	<b>16.01</b>	<b>5.78</b>	<b>5.35</b>
Payment to Auditor :	-	-	-	-	-
As Auditor	0.44	0.25	0.20	0.10	0.04
For Taxation Matters	-	-	-	-	-
<b>[D]</b>	<b>0.44</b>	<b>0.25</b>	<b>0.20</b>	<b>0.10</b>	<b>0.04</b>
<b>[A+B+C+D]</b>	<b>1,791.21</b>	<b>113.04</b>	<b>56.07</b>	<b>5.88</b>	<b>5.39</b>

## Annexure 31

## STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

a. Enterprises under common control, which includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:

For the year ended March 31,					
	2018	2017	2016	2015	2014
i.	Spectrum Electroplaters, Jalgaon	Spectrum Electroplaters, Jalgaon	Spectrum Electroplaters, Jalgaon	Spectrum Electroplaters, Jalgaon	Spectrum Electroplaters, Jalgaon
ii.	Spectrum Fabricators (India) Pvt Ltd	Spectrum Fabricators (India) Pvt Ltd	Spectrum Fabricators (India) Pvt Ltd	Spectrum Fabricators (India) Pvt Ltd	Spectrum Fabricators (India) Pvt Ltd
iii.	Spectrum Polytech	Spectrum Polytech	Spectrum Polytech	Spectrum Polytech	Spectrum Polytech
iv.	Spectrum Electroplater, Nashik	Spectrum Electroplater, Nashik	Spectrum Electroplater, Nashik	Spectrum Electroplater, Nashik	Spectrum Electroplater, Nashik

b. Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture: **NIL**

c. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:

For the year ended March 31,					
	2018	2017	2016	2015	2014
<b>a. Promoters</b>					
i.	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari
<b>b. Directors and Shareholders</b>					
i.	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari
ii.	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari
iii.	Mr. Devendra Sudhakar Rane	-	-	-	-
iv.	Mr. Chandrakant Bhaskar Rane	-	-	-	-
<b>c. Relative of Director/Promoter: NIL</b>					
		-	-	-	-

## d. Key Managerial Personal (KMP) and Relatives of KMP

For the year ended March 31,					
	2018	2017	2016	2015	2014
<b>a. Key Managerial Personal</b>					
i.	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari	Mr. Deepak Suresh Chaudhari
ii.	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari	Mrs. Bharti Deepak Chaudhari
iii.	Mr. Devendra Sudhakar Rane	-	-	-	
iv.	Mr. Chandrakant Bhaskar Rane	-	-	-	
<b>b. Relative of Key Managerial Personal: NIL</b>					
		-	-	-	-

Additional Related parties as per Companies Act, 2013: NIL

## Disclosure of Transactions with Related Parties

(Rs. In Lakhs)

Name of Related Party	Relationship	Nature of Transaction	For the year ended 31 March,				
			2018	2017	2016	2015	2014
1. Mr. Deepak Suresh Chaudhari	Managing Director -Key Managerial Personnel	Directors Remuneration	34.50	-	-	-	-
		Purchases of goods	-	-	-	-	-
		Receiving services	-	-	-	-	-
		Sale of goods	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	12.00				
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
2. Mrs. Bharti Deepak Chaudhari	Whole Time Director- Key Managerial Personnel	Directors Remuneration	18.00	-	-	-	-
		Purchases of goods	-	-	-	-	-
		Receiving services					
		Sale of goods	-	-	-	-	-

		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	-	-	-	-	-
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
3. Mr. Devendra Sudhakar Rane	Director- Key Managerial Personnel	Directors Remuneration	18.00	-	-	-	-
		Purchases of goods	-	-	-	-	-
		Receiving services	-	-	-	-	-
		Sale of goods	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	-	-	-	-	-
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
4. Mr. Chandrakant Bhaskar Rane	Director- Key Managerial Personnel	Directors Remuneration	18.00	-	-	-	-
		Purchases of goods	-	-	-	-	-
		Receiving services	-	-	-	-	-
		Sale of goods	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	-	-	-	-	-
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
5. Spectrum Electroplaters, Jalgaon	Enterprise under common control	Purchases of goods	-	22.89	-	-	-
		Receiving services	-	-	-	-	-
		Sale of goods	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-

		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	-	-	-	-	-
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
		Guarantees and collaterals	-	-	-	-	-
		Business Takeover	405.00				
6. Spectrum Fabricators (India) Pvt Ltd	Enterprise under common control	Purchases of goods	-	0.88	-	-	-
		Receiving services	-	-	-	-	-
		Sale of goods	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	-	-	-	-	-
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
		Guarantees and collaterals	-	-	-	-	-
		Business Takeover	600.00	-	-	-	-
7. Spectrum Polytech	Enterprise under common control	Purchases of goods	-	363.41	-	-	-
		Receiving services	-	-	-	-	-
		Sale of goods	-	658.80	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Loan/ advance given	-	-	-	-	-
		Loan and advance taken	-	-	-	-	-
		Rent Paid	-	-	-	-	-
		Rent Received	-	-	-	-	-
		Amount Receivable	-	-	-	-	-
		Amount Payable	-	-	-	-	-
		Guarantees and collaterals	-	-	-	-	-
		Business Takeover	611.00	-	-	-	-
		Purchases of goods	-	-	-	-	-
		Receiving services	-	-	-	-	-



8. Spectrum Electroplater, Nashik	Enterprise under common control	Sale of goods	-	-	-	-	-
		Rendering of services	-	-	-	-	-
		Sale of fixed assets	-	-	-	-	-
		Leasing/ Hire-purchase arrangements	-	-	-	-	-
		Business Takeover	395.00	-	-	-	-

### Annexure 32 OTHER RELEVANT INFORMATION

Our company took over the running business of group entities viz. Spectrum Fabricators (India) Pvt. Ltd. (SFIPL); M/s. Spectrum Electroplaters, Jalgaon; M/s. Spectrum Electroplater, Nasik; and M/s. Spectrum Polytech, Jalgaon, through slump sale. For improving efficiencies, effective management and improvement / advancement of business, it was decided to integrate all the business operations of the group entities into one single entity.

Accordingly, through business transfer agreements dated March 31, 2017, business of all the group entities, along with respective assets and liabilities were transferred to our Company with effect from April 1<sup>st</sup>, 2017. Due to this business integration, the financial results of FY 2017-18 are significantly different from other past periods and are not comparable.

In order to increase the relevance of financial information and to assist in comparison of financial performance, compiled financial information of following group entities 1) Spectrum Fabricators(India) Pvt. Ltd.; 2) M/s. Spectrum Electroplaters; 3) M/s. Spectrum Electroplater; 4) M/s. Spectrum Polytech is compiled on net basis with the Company as the businesses of the group entities have been integrated with the Issuer Company. The Compiled financial information is drawn from the respective audited financial statements of these group entities and the Issuer Company for respective years. The Compilation of group entities financial statements presented below has been certified by Statutory Auditors of Issuer Company.

### PROFORMA STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs.)

Particulars	For the Year ended 31 <sup>st</sup> March		
	2017	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>I. Shareholders' Funds</b>			
a. Share Capital	2,236.06	1,864.67	1,618.77
b. Reserves & Surplus	469.20	163.01	128.03
<b>Sub -Total (I)</b>	<b>2,705.26</b>	<b>2,027.68</b>	<b>1,746.79</b>
<b>II. Share Application Money Pending Allotment</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Sub -Total (II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>III. Non-Current Liabilities</b>			
a. Long Term Borrowings	2,278.61	2,258.01	1,820.92
b. Deferred Tax Liabilities	0.00	0.00	0.00
c. Other Long Term Liabilities	0.00	0.00	0.00
d. Long Term Provisions	0.00	0.00	0.00

<b>Sub -Total (III)</b>	<b>2,278.61</b>	<b>2,258.01</b>	<b>1,820.92</b>
<b>IV. Current Liabilities</b>			
a. Short Term Borrowings	1,435.99	1,398.23	1,292.09
b. Trade Payables	2,514.08	1,669.93	1,666.93
c. Other Current Liabilities	0.00	83.93	35.89
d. Short Term Provisions	216.91	108.33	94.48
<b>Sub -Total (IV)</b>	<b>4,166.98</b>	<b>3,260.42</b>	<b>3,089.39</b>
<b>T O T A L (I+II+III+IV)</b>	<b>9,150.85</b>	<b>7,546.11</b>	<b>6,657.10</b>
<b>ASSETS</b>			
<b>V. Non -Current Assets</b>			
a. Fixed Assets			
i. Tangible Assets	5,854.44	4,457.66	3,798.84
<b>Less: Accumulated Depreciation</b>	<b>1,858.46</b>	<b>1,408.83</b>	<b>1,076.41</b>
ii. Intangible Assets (Net)	0.00	0.00	0.00
iii Capital Work in Progress	0.00	0.00	0.00
<b>Less: Accumulated Depreciation</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Block</b>	<b>3,995.98</b>	<b>3,048.83</b>	<b>2,722.43</b>
b. Non-Current Investments	626.10	364.16	463.64
c. Long Term Loans & Advances	0.00	34.38	30.91
<b>Sub- Total (V)</b>	<b>4,622.08</b>	<b>3,447.37</b>	<b>3,216.97</b>
<b>VI. Current Assets</b>			
a. Other Current Investment	0.00	0.00	0.00
b. Inventories	1,616.85	1,317.41	1,581.24
c . Trade Receivables	2,170.28	1,997.59	1,445.44
d. Cash and Cash Equivalents	236.39	268.23	106.22
e. Short Term Loans & Advances	51.96	38.79	26.26
f. Other Current Assets	453.30	476.73	280.97
<b>Sub- Total (VI)</b>	<b>4,528.77</b>	<b>4,098.74</b>	<b>3,440.13</b>
<b>T O T A L (V+VI)</b>	<b>9,150.85</b>	<b>7,546.11</b>	<b>6,657.10</b>

## PROFORMA STATEMENT OF PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2017	2016	2015
I. Revenue from Operations	9,916.48	9,452.01	8,039.76
II. Other Income	103.93	51.06	46.23
<b>III. Total Revenue (I+II)</b>	<b>10,020.40</b>	<b>9,503.07</b>	<b>8,085.99</b>
<b>IV. Expenses</b>			
Cost of Raw Materials Consumed	6,361.87	6,392.80	5,132.86
Purchase of Stock-in-Trade	0.00	0.00	0.00
Changes in Inventories of Finished Goods, Traded Goods	0.00	0.00	0.00
Employee Benefit Expenses	609.36	488.57	457.39
Finance Costs	356.41	422.97	417.03

Depreciation and Amortisation Expense	449.63	399.92	381.55
Other Expenses	1,728.06	1,433.35	1,423.36
<b>Total Expenses</b>	<b>9,505.33</b>	<b>9,137.61</b>	<b>7,812.18</b>
<b>V. Net Profit/ (Loss) before exceptional and extraordinary items and tax (III - IV)</b>	<b>515.08</b>	<b>365.46</b>	<b>273.81</b>
VI. Exceptional and Prior period items	0.00	0.00	0.00
<b>VII. Net Profit/ (Loss) before extraordinary items and tax (V - VI)</b>	<b>515.08</b>	<b>365.46</b>	<b>273.81</b>
VIII. Extraordinary items	0.00	0.00	0.00
<b>IX. Net Profit/ ( Loss )before tax (VII-VIII)</b>	<b>515.08</b>	<b>365.46</b>	<b>273.81</b>
<b>X. Tax expense:</b>			
-Current Tax	165.38	118.42	89.14
-Deferred tax	0.00	0.00	0.00
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>349.70</b>	<b>247.04</b>	<b>184.67</b>
XII. Profit/ (loss) from discontinuing operations	0.00	0.00	0.00
XIII. Tax expense of discontinuing operations	0.00	0.00	0.00
<b>XIV. Profit/(loss) from Discontinuing operations after tax (XII-XIII)</b>	<b>349.70</b>	<b>247.04</b>	<b>184.67</b>
Less : Proposed Dividend	0.00	0.00	0.00
Dividend Distribution Tax	0.00	0.00	0.00
<b>Net Profit/(loss) after tax for the period transferred to Reserves</b>	<b>349.70</b>	<b>247.04</b>	<b>184.67</b>

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATION

Management's Discussion and Analysis of Financial Conditions and Results of Operations as reflected in the Financial Statements

### a. Overview of our Business

We are an ISO 9001:2015 certified company, engaged in the business of designing and manufacturing of electrical, automobile and irrigation components as contract manufacturers and as component suppliers to leading industry players on Business-to-Business (B2B) model.

### OUR PRODUCTS

We manufacture a range of products under electrical components domain having different applications and utilities. We undertake activities such as designing, fabrication, moulding, powder coating, electroplating and assembling to develop these products. Some of the products are obtained after passing through all the stages of production while some are obtained at intermediate stages of production. Our key products include the following:

1. Distribution Board/Metal Junction Box
2. AC Box
3. Modular Electric Board Panels
4. Mini MCB Base & Cover
5. Fancy Angle Holders
6. Other electrical components and electroplating services

### b. Factors that may affect Results of Operations

Points mentioned in the Risk Factors given in this Offer Document and other important factors could cause actual results to differ materially from the expectations including among others:

- **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 over the past several years. This improved performance was propelled by the growth in industrial activity due to liberal policies adopted by the Government of India promoting small and medium enterprises and increasing their contribution to GDP. The growth prospects of the business of our Company and our ability to implement the strategies will also be influenced by the macro economic growth.
- **Our ability to successfully implement our strategy and growth and expansion plans;**  
Our growth plans are extensive and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.
- **Factors affecting industrial activity;**  
The current trend among leading manufacturers to outsource all or bulk of manufacturing activities coupled with our strong manufacturing capabilities and long-standing customer

relationship assures us of a stable business growth.

We believe that we have benefited from this outsourcing trend in large part due to our integrated offering and flexibility and ability to reduce costs in manufacturing these products. A customer's decision to outsource is influenced by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing. There can be no assurance that the customers will continue to outsource or increase the share of outsourcing; and in case of such eventuality, our Company's future growth could be limited and our sales & operating results may suffer.

- **Changes in laws and regulations that apply to the industry;**

There are various laws and regulations applicable to our industry, in which we operate, that we have to comply/follow. These rules and regulations that we are bound to be compliant with tend to change over period of time. In case of a failure to comply with changing laws and regulations or to obtain or renew the necessary permits and approvals may adversely affect our business.

- **Change in Technology**

Technology is a driving factor that affects overall operations in manufacturing Industry. In order to achieve Company's objectives, we constantly need to upgrade and apply improved technology. We are continuously emphasizing on significant upgradation of manufacturing facility to improve product quality and turnaround time.

We have recently successfully developed a four cavity tool for a critical component which is otherwise done on a two cavity tool worldwide. This specialised tool significantly enhances the productivity and cost efficiency.

We have recently successfully started silver graphite and silver diamond electroplating line which is a pioneering effort in India. This specialised technology finds its applications in high rated circuit breakers.

We have also implemented SAP S/4 HANA, which is the latest version of ERP software.

- **Changes in fiscal, economic or political conditions in India;**

External factors such as terrorist attacks, acts of war or geopolitical and social turmoil in India or certain parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.

- **Changes in the foreign exchange control regulations, interest rates and tax laws in India.**

Any change in the foreign exchange control regulation, interest rates and tax laws in India affects liquidity in the market which in turn affects the purchasing power of the economy.

### c. Outlook

The Company is committed to putting in continuous efforts for providing products and services of superior quality with focus on innovation using best practices, adopt appropriate sales & marketing strategies and invest in people development through regular training and skill-upgradation programmes. Fundamental growth drivers of Indian Economy continue to exist. The overall scenario for economy is showing positive trends and we believe it will help our Industry to grow at a faster rate. We are confident of achieving consistently good performance by using better

technologies and introducing better and improved products and services and augmenting our sales and marketing efforts, while improvising on internal systems, controls and production processes to maintain cost competitiveness.

#### d. Overview of Our Results of Operations

Our company took over the running business of group entities viz. Spectrum Fabricators (India) Pvt. Ltd. (SFIPL); M/s. Spectrum Electroplaters, Jalgaon; M/s. Spectrum Electroplater, Nasik; and M/s. Spectrum Polytech, Jalgaon, through slump sale. For improving efficiencies, effective management and improvement / advancement of business, it was decided to integrate all the business operations of the group entities into one single entity.

Accordingly, through business transfer agreements dated March 31, 2017, business of all the group entities, along with respective assets and liabilities were transferred to our Company with effect from April 1<sup>st</sup>, 2017. Due to this business integration, the financial results of FY 2017-18 are significantly different from other past periods and are not comparable. In order to increase the relevance of financial information and to assist in comparison of financial performance, compiled financial information of following group entities 1) Spectrum Fabricators(India) Pvt. Ltd.; 2) M/s. Spectrum Electroplaters; 3) M/s. Spectrum Electroplater; 4) M/s. Spectrum Polytech is compiled on net basis with the Company as the businesses of the group entities have been integrated with the Issuer Company. The Compiled financial information is drawn from the respective audited financial statements of these group entities and the Issuer Company for respective years. The Compilation of group entities financial statements presented below has been certified by Statutory Auditors of Issuer Company

INR Lakhs

Particulars	FY 2017-18	% of Total income	FY 2016-17	% of Total income	FY 2015-16	% of Total income
<b>Income</b>						
Revenue from Operations	11,954.82	99.76%	9,916.48	98.96%	9,452.01	99.46%
Other Income	28.42	0.24%	103.93	1.04%	51.06	0.54%
<b>Total</b>	<b>11,983.24</b>	<b>100.00%</b>	<b>10,020.41</b>	<b>100.00%</b>	<b>9,503.07</b>	<b>100.00%</b>
<b>Expenditure</b>						
Cost of Material Consumed	8,092.36	67.53%	6,361.87	63.49%	6,392.80	67.27%
Purchase of Stock in Trade	-	0.00%	-	0.00%	-	0.00%
Change in inventories of Finished Goods, Stock-in-Trade & Scrap	(352.48)	-2.94%	-	0.00%	-	0.00%
Employees Costs	802.45	6.70%	609.36	6.08%	488.57	5.14%
Manufacturing, Establishment, Administrative, Selling and Other Expenses	1,791.21	14.95%	1,728.06	17.25%	1,433.35	15.08%
<b>Total</b>	<b>10,333.53</b>	<b>86.23%</b>	<b>8,699.29</b>	<b>86.82%</b>	<b>8,314.72</b>	<b>87.50%</b>
<b>PBDIT</b>	<b>1,649.70</b>	<b>13.77%</b>	<b>1,321.12</b>	<b>13.18%</b>	<b>1,188.35</b>	<b>12.50%</b>
Depreciation	392.13	3.27%	449.63	4.49%	399.92	4.21%
<b>Profit before Interest &amp; Tax</b>	<b>1,257.57</b>	<b>10.49%</b>	<b>871.49</b>	<b>8.70%</b>	<b>788.43</b>	<b>8.30%</b>

Interest & Finance Charges	447.29	3.73%	356.41	3.56%	422.97	4.45%
Exceptional Items	-	0.00%	-	0.00%	-	0.00%
<b>Net Profit before Tax</b>	<b>810.28</b>	<b>6.76%</b>	<b>515.08</b>	<b>5.14%</b>	<b>365.46</b>	<b>3.85%</b>
<b>Less: Provision for Taxes:</b>						
Current Tax	177.14	1.48%	165.38	1.65%	118.42	1.25%
Deferred Tax	42.82	0.36%	-	0.00%	-	0.00%
Dividend Distribution Tax	-	0.00%	-	0.00%	-	0.00%
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>590.32</b>	<b>4.93%</b>	<b>349.70</b>	<b>3.49%</b>	<b>247.04</b>	<b>2.60%</b>

#### e. Dependency on major customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Our key customers include:

1. Novateur Electricals and Digital Systems Pvt. Ltd. (part of Legrand SA, France)
2. Anchor Electricals Pvt. Ltd.
3. Schneider Electric India Private Limited

In the aggregate, these three customers accounted for more than 75% of our revenue from operations (net) for the financial year ended March 31, 2018.

#### Unusual or infrequent events or transactions

There have been no events, which may be called “unusual” or “infrequent”.

#### Significant economic changes that materially affected or are likely to affect income from continuing operations

Any slowdown in the growth of Indian economy or slackening of demand of electrical products, could affect the business, including the future financial performance, shareholders’ funds and ability to implement strategy and the price of the Equity Shares.

#### Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in this Prospectus, particularly in “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on Page Nos. 12, 106, 204 of this Prospectus, to our knowledge there are no known trends or uncertainties that may have material adverse impact on the income, costs and profits of the company from continuing operations.

#### Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

In our current business model, raw material specifications are given by the customers and, in some cases, the suppliers from whom the raw materials are to be purchased are also identified by the customers. Any volatility in prices of such raw materials does not affect our profitability as the contract



with the customer states these parameters, on the basis of which the raw material cost is a pass-through item for us. The conversion cost is agreed upon prior to placing of orders as the cost sheet is shared with the customers.

**The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase in turnover are only on account of increase in the demand generated by existing customers, new customers acquired and new products introduced by us.

**Total turnover of each major industry segment in which the Company operates**

We are operating in the manufacturing and selling of electrical products and components on B2B basis. Other than manufacturing of these products, there is no other major industry segment in which we operate.

**Status of any publicly announced new product**

We have not publicly announced any new products other than those mentioned under the chapter “Business Overview” on page no. 106 in this Prospectus.

**The extent to which the business is Seasonal**

The industry in which we operate being electrical components and products, our business is not seasonal.

**Competitive conditions**

We believe that there are no companies in India, which have in-house multi technology capabilities to manufacture equivalent product mix as that of our Company. Setting up and management of these different technology and processes require specialised knowledge & skills, infrastructure and specific management capabilities. We possess these attributes and our rich experience in successfully managing these processes acts as a strong entry barrier. However, we face competition from various players in different intermediate segments of our manufacturing process. The major factors which affect competition in our business are product quality and value added services. With our strong customer relationships, innovations and quality product offerings, we believe that we provide a comprehensive, dependable and reliable offering in comparison to our competitors.

## FINANCIAL INDEBTEDNESS

Following are the summary of the credit facilities sanctioned to our Company by Axis Bank Limited, Jalgaon Branch vide their letter dated June 07, 2018:

Nature of facility	Limits Proposed (Rs. In Lakhs)	Interest rate / commission	Margin	Tenure
Cash Credit Limit	1,900.00	9.20%	25.00%	1 Year
Term Loan – 1	78.00	9.75%	-	59 Months
Term Loan – 2	34.00	9.75%	-	28 Months
Term Loan – 3	54.00	9.75%	-	45 Months
Term Loan – 4	78.00	9.75%	-	54 Months
Term Loan – 5	132.00	9.75%	-	46 Months
Term Loan – 6	109.00	9.75%	-	47 Months
Term Loan – 7	70.00	9.75%	-	56 Months
Term Loan – 8	7.00	9.75%	-	56 Months
Term Loan – 9	844.00	9.35%	-	78 Months
Term Loan – 10	150.00	9.35%	-	84 Months
Term Loan – 11	85.00	9.35%	-	84 Months
Term Loan – 12	251.00	9.35%	-	84 Months
Term Loan – 13	123.00	9.35%	-	84 Months
Term Loan – 14	730.00	9.75%	-	78 Months
Inland Bills Discounting Limits (LCBD)*	300.00	9.10%	10%	1 Year
Letter of Credit (Inland & Import)*	(100.00)	9.20%	15%	1 Year
<b>Total</b>	<b>4,945.00</b>			

\*An Inland Bill Discounting Facility for Rs. 300 Lakhs was sanctioned to our Company on 19.06.2017 vide sanction letter reference SME/NSC/MJ/064/2017-18. In addition, continuation of LER facility of Rs. 100 Lakhs against 100% cash margin.

**Security**1. **Primary-**- **For Working Capital Limits:**

Hypothecation charge on entire current assets of the Company including stocks and book debts – present and future.

- **LER:**

100% cash margin in the form of Fixed Deposits with our Banks lien noted thereon.

- **Term Loan (1-14):**

Hypothecation charge on entire movable fixed assets including Plant & Machinery of the Company (post slump sale) excluding vehicle loan financed by other Bank/FI.

- **Term Loan (9,10 & 14)**

Exclusive charge by way of mortgage in favour of Axis Bank on the following:

- On lease hold rights of the company owned by Mr Deepak Chaudhari of all the immovable properties both present and future, owned by Deepak Suresh Chaudhari bearing Gat No. 13911, admeasuring 36,500 sq. mtrs. and Gat No. 139/2, admeasuring 25,300 sq. mtrs.

aggregating 61,800 sq. mtrs. (out of which land admeasuring 36,000 sq. mtrs. is Non Agricultural land) and the remaining 25, 800 sq. mtrs. is Agricultural Land) at Post Umale, Taluka and District Jalgaon.

2. On Gat No. 139/1, admeasuring 36,500 sq. mtrs. and Gat No. 139/2, admeasuring 25,300 sq. mtrs. aggregating 61,800 sq. mtrs. (out of which land admeasuring 36,000 sq. mtrs is NA land) and the remaining 25,800 sq. mtrs is Agri Land) at Post Umale, Taluka and District Jalgaon. {Owned by Deepak Chaudhari}

## 2. Collateral

### - For Working Capital Limits:

1. Extension of Hypothecation charge on entire movable fixed assets including Plant and Machinery of the company (post slump sale) excluding vehicle loan financed by other Bank/FI and funded by SIDBI
2. Exclusive charge by way of mortgage in favour of Axis Bank on the following:
  - I. On lease hold rights of the company owned by Mr. Deepak Chaudhari of all the immovable properties both the present and future, owned by Deepak Suresh Chaudhari bearing Gat No. 139/1, admeasuring 36,500 sq. mtrs and Gat No. 139/2, admeasuring 25,300 sq. mtrs aggregating 61,800 sq. mtrs (out of which land admeasuring 36,000 sq. mtrs is NA land) and the remaining 25,800 sq. mtrs is Agri Land) at Post Umale, Taluka and District Jalgaon.
  - II. On Gat No. 139/1, admeasuring 36,500 sq. mtrs. and Gat No. 139/2, admeasuring 25,300 sq. mtrs. aggregating 61,800 sq. mtrs. (out of which land admeasuring 36,000 sq. mtrs is NA land) and the remaining 25,800 sq. mtrs. is Agriculture Land) at Post Umale, Taluka and District Jalgaon. {Owned by Deepak Chaudhari}

### - Term Loan (5)

EM of property situated at Flat No. 602, 6<sup>th</sup> Floor, "A" Wing, Eldora CHSL, Hiranandani Gardens, Near Hiranandani Hospital, Powai, Mumbai – 400076 admeasuring area 1,755 sq. fts together with parking space common facilities etc. Constructed on land bearing survey no. 37, CTS No. 104, 104/1 to 104/7 of Kurla, situated at village Tirandaz owned by Sunil Prahalad Jangle and Meena Sunil Jangle.

## 3. Common Collateral for both working capital and TL facilities (1 – 14)

1. Leasehold rights over immovable property situated at Plot No. G-12, Ambad MIDC, Nashik adm.
2. Leasehold rights over immovable property situated at Plot No. W-27, Satpur MIDC, Nashik adm.
3. Leasehold rights of over immovable property situated at Plot No. C-2/1, C-2/2, MIDC, Jalgaon adm.
4. Leasehold rights over immovable property situated at Plot No. J-73, MIDC, Jalgaon adm.

5. Property situated at Plot No. 39A, Near Lions Hall, Adarsh Nagar, Jalgaon adm.
6. Leasehold rights over immovable property situated at Plot No. J-76/1, MIDC, Jalgaon adm.
7. Leasehold rights over immovable property both present and future on property situated at Plot No. V-195, MIDC, Jalgaon adm.
8. Plot No. 34, admeasuring 483.10 sq. mtrs in city survey no. 6,222, out of field Survey No. 444, Mouza Mehrun, situated at Adarsh Nagar, Near Lions's Hall, Jalgaon together with all the building and structure there on.

**4. Personal Guarantee of**

1. Mr. Deepak Suresh Chaudhari
2. Mrs. Bharti Deepak
3. Mr. Chandrakant Bhaskar Rane
4. Mr. Devendra Sudhakar Rane
5. Mr. Sunil Prahlad Jangle
6. Mrs. Meena Sunil Jangle

*Note:*

*Our Company and Group entities had availed loan facilities from SIDBI previously, however, the complete outstanding loan amount was taken over by Axis Bank Limited. As on date, we do not have any outstanding liabilities due towards SIDBI.*

## SECTION VI - LEGAL AND OTHER INFORMATION

**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act or Schedule V of Companies Act, 2013) against the Company, its Directors, its Promoter and its Group Entities that would have a material adverse effect on the business of the Company. Except as set out below, there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues that would have a material adverse effect on the business of the Company.

**PART 1: CONTINGENT LIABILITIES OF THE COMPANY**

As on date, we do not have any contingent liabilities.

**PART 2: LITIGATION RELATING TO THE COMPANY****A. FILED AGAINST THE COMPANY**

Litigation Involving Civil Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation involving Taxation	NIL
Litigation involving Securities and Economic Laws	NIL
Litigation involving Statutory Laws	NIL
Litigation involving Labour Laws	NIL

**B. CASES FILED BY THE COMPANY**

Litigation Involving Civil Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation involving Securities and Economic Laws	NIL
Litigation involving Statutory Laws	NIL
Litigation involving Labour Laws	NIL
Litigation before Consumer Court, Maharashtra	NIL

**C. PAST PENALTIES**

NIL

**PART 3: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY****A. LITIGATION AGAINST THE DIRECTORS**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL
Litigation involving tax liabilities	NIL

**B. LITIGATIONS FILED BY THE DIRECTORS**

NIL

**C. PAST PENALTIES**

NIL

**PART 4: LITIGATION RELATING TO THE PROMOTERS OF THE COMPANY****A. LITIGATION AGAINST THE PROMOTERS**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**B. LITIGATION FILED BY THE PROMOTERS**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**C. PAST PENALTIES**

NIL

**PART 5: LITIGATION RELATING TO THE GROUP COMPANIES****A. LITIGATION AGAINST THE GROUP COMPANIES**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**B. LITIGATION FILED BY THE GROUP COMPANIES**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**C. PAST PENALTIES**

NIL

**PART 6: LEGAL NOTICES**

Issued to the Company	NIL
Issued by the Company	NIL
Issued to the Group Companies	NIL
Issued by the Group Companies	NIL

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE i.e. 31.03.2018**

No circumstances have arisen since the date of last financial statement until the date of filing the 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 12 (twelve) months. There is no subsequent development after the date of the Auditor's Report, which will have a material adverse impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

Significant developments in our Company since the last audited balance sheet as on March 31, 2018 till the date of the Prospectus.

1. Our Board has passed a resolution on July 2, 2018 authorising the present IPO which was approved by our Shareholders at the Extraordinary General Meeting held on July 10, 2018.
2. Our Shareholders have passed a resolution authoring our Company to borrow upto Rs. 200 Crores for meeting its fund requirements in future.
3. Sub-division of equity shares of face value Rs. 100/- to Rs. 10/-, approved in the Extra Ordinary General Meeting held on April 10, 2018
4. We have appointed Mr. Narendra Daulat Wagh as Independent Director on the Board of the Company with effect from May 2, 2018.
5. We have appointed Mr. Sanjay Padmakar Pawde as Independent Director on the Board of the Company with effect from July 1, 2018.
6. We have appointed Mr. Subhash Narayan Patil as Independent Director on the Board of the Company with effect from July 1, 2018.
7. We have appointed Mr. Saurabh Shrikant Malpani as Independent Director on the Board of the Company with effect from August 6, 2018.
8. We have appointed Ms. Sarita Zamwar as Company Secretary and Compliance Officer of Our Company with effect from May 2, 2018.
9. We have appointed Mr. Pankaj Rote as Chief Financial Officer of Our Company with effect from July 1, 2018.
10. Our sanctioned bank borrowing limits have increased from 3,955 lacs to Rs. 4,945 lacs vide sanction letter dated June 7, 2018 issued by Axis Bank Limited.
11. Acquired a facility on lease for manufacture of Injection Moulded Plastic Components at Bengaluru.

**AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

We do not information of status of our creditors as small scale undertaking or otherwise. Hence, the amount owed to small scale undertaking is not available.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

On the basis of the list of material approvals provided below, our Company can undertake the Issue and its current business activities and other than as stated below, we believe, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals which have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Prospectus. For further details, in connection with the applicable regulatory and legal framework, kindly refer “KEY INDUSTRY REGULATIONS AND POLICIES” on page 131 of this Prospectus.

### BUSINESS RELATED APPROVALS / LICENSES / REGISTRATIONS

The Company has in place the following categories of approvals from various tax authorities viz. Income-tax Department, GST Department etc.

S. No.	Particulars	Registration No.
1	Permanent Account Number (PAN)	AAUCS2152E
2	Tax Deduction Account Number (TAN)	NSKS18667F
3	Goods & Service Tax Registration (Maharashtra)	27AAUCS2152E1Z7
4	Goods & Service Tax Registration (Telangana)	36AAUCS2152E1Z8
5	Certificate of Registration under the Maharashtra Value Added Tax Act, 2002	27921114263V
6	Certificate of Registration the Central Sales Tax (Registration & Turnover) Rules, 1957	27921114263C
7	Professional Tax Registration Certificate	27921114263P
8	Professional Tax Enrolment Certificate	99193139661P
9	Certificate of Importer-Exporter Code (IEC)	0313089337
10	Central Excise Registration Certificate	AAUCS2152EEM001/002
11	Udyog Aadhar Number (Maharashtra)	MH14C0005970
12	Udyog Aadhar Number (Telangana)	TS09B10385
13	ESIC Registration Number	252500825600106006
14	Provident Fund Number	9999987852NSK

## FACTORY / LABOUR LAW RELATED APPROVALS/REGISTRATIONS

## Plant 1 &amp; Plant No. 12 - Gat No. 139/1 &amp; 139/2, Umale, Jalgaon

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	Gram Panchayat Umale Jalgaon	NA	14/03/2017	NA
2	Factory Licence	Director Of Industrial Safety And Health	License No. - 13436	31/12/2017	31/12/2018
3	NOC by the License Agency recording the compliances of the Fire Prevention And Life Safety Measures	Maharashtra Agnishaman Seva Sanchalanalay Mumbai	MFS-LA/RF-0232	16/07/2017	Renewal application made - Approval awaited
4	MPCB Certificate	Maharashtra Pollution Control Board	SRO-JALGAON/CONSENT/1703002092/361/369	31/03/2017	28/02/2020
5	MSEB Load Sanction Letter	Maharashtra State Electricity Distribution Co. Ltd	SE/LGJ/T/SPECTRUM/1102/	03/04/2016	NA
6	Factory Permission Of Gram Panchayat	Gram Panchayat Umale Jalgaon	NA	05/04/2016	NA
7	Industrial NA Order	Collector Office, Jalgaon	SR/109/2014	03/03/2015	NA

## Plant 2 - Plot No. C-2/1 &amp; 2, MIDC Area, Jalgaon

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Jalgaon	No DB/JLG/1242/1998	18/05/1999	NA
2	Factory Licence	Director of Industrial Safety and Health	License No. - 126423	31/12/2009	Renewal application made - Approval awaited
3	MPCB Certificate	Maharashtra Pollution Control Board	SROJ-I/LT/CC/COJ/45/C-507	03/05/2015	31/05/2021

## Plant 3 - Plot No. J-73, MIDC Area, Jalgaon

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Jalgaon	DE/JLG/934	04/01/1995	NA
2	Factory Licence	Director of Industrial Safety and Health	License No. - 126477	27/07/2007	Renewal application made - Approval awaited
3	MPCB Certificate	Maharashtra Pollution Control Board	MPCB/ RONK / SRJ/Co-304/4071/2015	18/11/2015	31/01/2019

**Plant 4 – Plot No. J-76/1, MIDC Area, Jalgaon**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Jalgaon	JLG/093	03/06/2009	NA
2	Factory Licence	Director of Industrial Safety and Health	License No. - 126429	21/04/1999	21/04/2019
3	MPCB Certificate	Maharashtra Pollution Control Board	BOJD(APC) TB-3 /EIC NO NK-19041-15/R-CC-6206	25/05/2015	31/05/2020

**Plant 5 – Plot No. G-94/1, MIDC Area, Jalgaon**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Jalgaon	MIDC/SPA/JLG/A-36871	02/02/2018	NA
2	Factory Licence	Director of Industrial Safety and Health	License No. - 126479	21/12/2011	21/12/2019
3	MPCB Certificate	Maharashtra Pollution Control Board	BOJD(APC) TB-3 /EIC NO NK-19039-15/R-CC-6208	25/05/2015	28-02-2020

**Plant 6 – Plot No. V - 195, MIDC Area, Jalgaon**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Nashik	CA/92/14619	17/10/2008	NA
2	Factory Licence	Director of Industrial Safety and Health	License No. - 126480	17/04/2009	17/04/2020
3	MPCB Certificate	Maharashtra Pollution Control Board	SRO-JALGAON/CONSE NT/1 8 04 0 0 0 2 5 3	04/05/2018	31/10/2020

**Plant 7 – Plot No. G-12, MIDC Area, Ambad, Nashik**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Nashik	NO./DB/NSK/45/OF 93	04/02/1994	NA
2	Factory Licence	Director of Industrial Safety and Health	Application made – Approval awaited		
3	MPCB Certificate	Maharashtra Pollution Control Board	BO/JD/(APC) EIC NO. NK 19964-15/R/CC 662	14/01/2016	30/09/2018

**Plant 8 – Plot No. D-1/19, MIDC Area, Ambad, Nashik**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Nashik	NO./DB/NSK/183 0/OF 2007	17/07/2007	N.A.
2	Factory Licence	Director of Industrial Safety and Health	Application made – Approval awaited		
3	MPCB Certificate	Maharashtra Pollution Control Board	Application made – Approval awaited		

**Plant 9 – Plot No. W-27, MIDC Area, Ambad, Nashik**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Nashik	NSK/W-27/8730	07/06/1978	N.A.
2	Factory Licence	Director of Industrial Safety and Health	License No.- 12494	01/01/2017	31/12/2018
3	MPCB Certificate	Maharashtra Pollution Control Board	BO/ JD/ (APC) TB-3 UAN NO 42048/R/CC-313	07/07/2018	31/03/2019

**Plant 10 – Plot No. W-190, MIDC Area, Ambad, Nashik**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	MIDC Nashik	MIDC Letter No. 3265/R-O-N/ADDL/NSK/W-190	27/09/1993	N.A.
2	Factory Licence	Director of Industrial Safety and Health	Application made – Approval awaited		
3	MPCB Certificate	Maharashtra Pollution Control Board	Application made – Approval awaited		

**Plant 11 – Plot No. E-209, TSIIC Industrial Park, Muppireddypalli Village, Toopran Mandal, Medak, Telangana**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Building Completion Certificate	Telangana State Industrial Infrastructure Corporation Limited	N.A.	05/10/2016	N.A.
2	Factory Licence	Government of Telangana Factories Department	Application made – Approval awaited		
3	PCB Certificate	Telangana State Pollution Control Board	Order No. RCPM 518/PCB/ZO/RCP /CFE/2017	30/01/2017	N.A.
4	HDMA Certificate	Hyderabad Metropolitan Development Authority	40073/TS - IPASS/PLG./H/2 017	01/12/2017	NA
5	Udyog Aadhar	Ministry of micro & small & medium enterprises	TS09B10385	29/06/2016	NA

**Plant 13 – Gat No. 130, Umale, Jalgaon (Proposed Zinc plating Plant)**


S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Factory Permission of Gram Panchayat	Gram Panchayat Umale, Jalgaon	NA	06/03/2017	NA
2	MPCB Certificate	Maharashtra Pollution Control Board	SRO-JALGAON/CONSENT/1703000323/94 / 149 & SRO-JALGAON/CONSENT/1703000323/94 / 150	09/08/2017	5 years

4	Building Completion Certificate	Gram Panchayat Umale, Jalgaon	Application yet to be made
5	Factory Licence	Director of Industrial Safety and Health	Application yet to be made
6	MSEB Load Sanction Letter	Maharashtra State Electricity Distribution Co. Ltd	Application yet to be made
7	Industrial NA Order	Collector Office, Jalgaon	Application made - Approval awaited

**Plant 14 - Plot No. 266-P & 267-P, Narasapura Industrial Area, Karadubande, Hosahalli & Achatrihalli, Narasapura, Hobli, Kolar, Bengaluru**

S. No.	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	KSPCB (Consent for Establishment)	Karnataka State Pollution Control Board	Consent No. - CTE 106897	12/07/2018	09/07/2023

**APPROVALS RELATING TO INTELLECTUAL PROPERTY**

Serial	Particulars	Trade Mark	Granting Authority	Status
1	Company Logo		Government of India, Trade Marks Registry.	Pending

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on July 2, 2018 and by Special Resolution passed by the shareholders at an Extra Ordinary General Meeting held on July 10, 2018.

Our Company has obtained in-principle approval from NSE Emerge for using its name in the Prospectus for listing of Equity Shares of our Company on NSE EMERGE pursuant to an approval letter dated August 31, 2018. NSE Emerge is the Designated Stock Exchange.

### **Prohibition by SEBI or governmental authorities**

Our Company, Promoter, Promoter Group entities, Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other authorities and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Association with Securities Market**

None of our Directors are associated with the securities market and there has been no action taken by SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### **Prohibition by RBI**

None of our Company, Promoter, Directors, Group Entities or relatives (as per Companies Act, 2013) of Promoter have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "Outstanding Litigations and Material Developments" beginning on page 212 of the Prospectus.

### **Eligibility for the Issue**

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.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 50 of the Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, the total number of proposed allottees in the Issue shall be greater than or equal to 50 (Fifty), failing which the entire application money will be refunded forthwith. If such money is not refunded within 8 (Eight) working days from the date our Company becomes liable to repay it, our Company and every officer in default shall, on and from expiry of 8 (Eight) working days, be liable to refund such application money, with interest as prescribed under the Companies Act, 2013.

3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed Prospectus with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager dated August 9, 2018 and with Market Maker vide agreement dated September 5, 2018 to ensure compulsory Market Making. For further details of the arrangement of market making please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 50 of the 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 SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations shall not apply to us in this Issue. Our Company is in compliance with the requirements as stipulated by NSE-EMERGE for listing on their Exchange.

1. As on March 31, 2018, the Company had Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results
2. As at March 31, 2018, the Company had Net worth of Rs. 33.73 Crores.
3. Our Company has track record of over three years and has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years
4. Our Company shall mandatorily facilitate trading in demat securities. The Company alongwith Registrar to the Issue has entered into tripartite agreements with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) on August 14, 2018 and August 9, 2018 respectively. We have been allotted ISIN - INE01EO01010.
5. Our Company has a website i.e. [www.spectrum-india.com](http://www.spectrum-india.com)
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
7. There is no winding up petition against the Company that has been admitted by a Court nor has a liquidator been appointed.

#### DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THESE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH 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, ARIHANT CAPITAL MARKETS 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 FOR THE TIME BEING IN FORCE. 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 MANAGER, ARIHANT CAPITAL



MAREKTS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES THEIR RESPECTIVE RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI/NSE, A DUE DILIGENCE CERTIFICATE DATED AUGUST 13, 2018 WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE 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 PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE 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, 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 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(S) 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 PROMOTER"S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/ TRANSFERRED BY THE PROMOTER 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 PROMOTER"S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE 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 PROMOTER'S 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 PROMOTER'S 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - **NOTED FOR COMPLIANCE**
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. **NOT APPLICABLE AS UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.**
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - **NOTED FOR COMPLIANCE**
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR 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 PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. STATEMENT ON “PRICE INFORMATION OF PAST ISSUES HANDLED BY ARIHANT

CAPITAL MARKETS LIMITED BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)", AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR BERING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - **TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD - 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER 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 PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES 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. - **NOTED FOR COMPLIANCE**
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; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE 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.

The filing of the Prospectus does not, however, absolve our company from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of Sections 26, 32 and 33 of the Companies Act, 2013.

#### **Disclosure of Price Information of Past Issues Handled by the BRLM(s)**

**Table 1: Price information of past issues handled by Arihant Capital Markets Limited for three years**  
(current financial year and two financial years preceding the current financial year)

Sr. No.	Issue name	Issue size (Rs. in lakhs)	Issue Price (Rs.)	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.	Nitiraj Engineers Limited	2,200.80	100	March 09, 2017	97	-9% [8%]	-21% [13%]	-24% [17%]

Source: Price Information as available on <https://www.nseindia.com/emerge/> and Issue Information from respective Prospectus

Note: -

- NSE Mid Small Cap 400 has been considered as the benchmark index.
- Price information on NSE Emerge are considered for all of the above calculations.
- In case 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> day is not a trading day, closing price on NSE Emerge of the next trading day has been considered.
- In case 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> day, scrips are not traded then last trading price has been considered.

**Table 2: Summary Statement Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs.in Lakh)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	1 *	2,200.80	-	-	1	-	-	-	-	-	1	-	-	-

\* Equity shares of Nitiraj Engineers Limited, were listed on March 09, 2017, on SME platform of NSE- NSE EMERGE

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, disclosures are to be given for three financial years (current financial year and two financial years preceding the current financial year) and the table should reflect max. 10 issues (initial public offerings managed by the lead manager and the above information complies with this requirement.

**Track Record of past issues handled by the Lead Manager**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.arihantcapital.com](http://www.arihantcapital.com)

**Disclaimer from our Company, Directors and the Lead Manager**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Prospectus or in the advertisement or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in (i) the agreement entered between the LM and our Company; (ii) the Underwriting Agreement entered into between the Underwriters and our Company and (iii) the Market Making Agreement entered into amongst the Market Maker, Lead Manager and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in investment banking or financial transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates for which they have received and may in future receive compensation.

**Caution**

The Applicants making application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares 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 the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

**Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, Venture Capital Funds (VCF), state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 25 Crore and pension funds with a minimum corpus of Rs. 25 Crore, and permitted non-residents including FPIs, FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute



an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

Any person into whose possession the Prospectus comes, is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Jalgaon, Maharashtra, India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the NSE**

*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/258 dated August 31, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever*

#### **Filing**

The draft Prospectus was filed with NSE Emerge, Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.

Copy of the draft Prospectus will not be filed with the SEBI nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, Plot No. C4-A, 'G' Block, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.

A copy of the Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Maharashtra, Mumbai situated at 100, Everest, Marine Drive, Mumbai - 400 002, Maharashtra.

#### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated August 31, 2018 for listing of equity shares on NSE EMERGE.

NSE Emerge will be the Designated Stock Exchange with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE Emerge, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 (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 8 (Eight) days, would be liable to repay such application money, with interest at the rate as prescribed under the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE are taken within 6 working days of 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:

- “38. (1) 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 of the Companies Act, 2013.”

### **Consents**

Consents in writing of the Directors, the Promoters, the Company Secretary & Compliance Officer, the Statutory Auditor, the Peer Review Auditor, the Lead Manager, Registrar to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities and to include their names in the Prospectus are obtained. These consents will be filed along with a copy of the Prospectus with the Registrar of Companies as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the Registrar of Companies.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. S.D. Chopde & Co., Chartered Accountants, Statutory Auditor and M/s. HMA & Associates, Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits and Restated Financial Statements as included in the Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for filing with Registrar of Companies, Maharashtra at Mumbai.

### **Expert Opinion**

Except for the reports in the section “Restated Financial Information” and “Statement of Tax Benefits” on page 170 and page 80 of the Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions.



### Expenses of the Issue

The total expenses of the Issue are estimated at Rs. 250 lakhs. The estimated expenses for this Issue include issue management fees, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others.

The expenses for this Issue include issue management fees, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated at Rs.250 Lacs. An estimated break-up of the same is as under:

Particulars	Rs. in lakhs	% of issue expenses	% of Issue size
Fees to intermediaries (including Lead Managers fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses)	175.00	70	6.76
Printing & Stationery, postage / courier expenses	10.00	4	0.39
Expenses towards marketing, advertising and publicity	40.00	16	1.55
Regulatory fee; Out of pocket and other misc expenses	25.00	10	0.96
<b>Total</b>	<b>250.00</b>	<b>100.00</b>	<b>9.66</b>

*\*Includes Commission/ processing fees to the Designated Intermediaries. Designated Intermediaries would be entitled for a processing fee of 0.05% for processing of valid Application forms procured by such Intermediaries. Additionally, the SCSBs will be entitled for a fee of Rs.10/- per application for blocking of funds.*

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

### Particulars regarding Public or Rights Issues during the last 5 (Five) years

Our Company has not made any public or rights issue in the 5 (Five) years preceding the date of the Prospectus except as disclosed in chapter titled "Capital Structure" beginning on page 53 of the Prospectus.

### Previous issues of Equity Shares otherwise than for cash

On April 1, 2017, business undertakings of Group entities namely, M/s. Spectrum Electroplaters (Jalgaon), M/s. Spectrum Electroplater (Nashik), Spectrum Fabricators (India) Pvt. Ltd. and M/s. Spectrum Polytech (Jalgaon) was acquired by our Company through a slump sale. Against this, 6,14,984 equity shares each of face value Rs. 100/- at a price of Rs. 327/- per share were issued as consideration on non-cash basis to Promoters/Partners of Group entities. Upon sub-division of the Equity shares of Rs. 100 each of our Company into 10 Equity Share of Rs. 10 each, the number of shares allotted on consideration otherwise than for cash amounts to 61,49,840 Equity shares of face value of Rs. 10 each.

For more details, please refer to note 4 of the Chapter titled "Capital Structure" beginning on page 53.

### Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

**Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370(1) (b) of the Companies Act, 1956/ Section 186 of the Companies Act, 2013 which made any capital issue during the last 3 years**

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years

**Performance vis-a-vis objects**

There has not been any previous public issue of our Equity Shares.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Redeemable Preference Shares as on the date of filing the Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing the Prospectus.

**Subscription in Demat mode only**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least 3 (Three) years from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

**All grievances relating to the Issue 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, Depository Participant, and the bank branch or collection centre where the application was submitted.**

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

Further, with respect to the Bid cum Application Forms submitted with the Designated Intermediaries the investor shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 (Fifteen) working days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Shareholders' Relationship Committee and has appointed Ms. Sarita Zamwar, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Sarita Zamwar  
Spectrum Electrical Industries Limited  
Corporate Office  
Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon, Maharashtra  
Tel : 0257 2210 192

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011 and revised Circular No. CIR/OIAE/1/2014 dated December 18, 2014, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

**Status of Investor Complaints**

We confirm that we have not received any investor complaints during the three years preceding the date of the Prospectus and hence there are no pending investor complaints as on the date of the Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

**Change in Auditors during the last 3 years**

There have been no changes in our Company's auditors in the last 3 years.

**Capitalization of Reserves or Profits**

Except as provided in the Chapter titled “Capital Structure” beginning on page 53 of the Prospectus, our Company has not capitalized its reserves or profits at any time during the last 5 years.

**Revaluation of Assets**

Our Company has not revalued its assets in 5 years preceding the date of the Prospectus.

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**SECTION VII: TERMS AND PROCEDURE OF THE ISSUE**

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**TERMS OF THE ISSUE**

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, our Memorandum and Articles of Association, the terms of this 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, NSE EMERGE platform, 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 been also authorised to collect the Application forms. Investor may visit the official website of NSE EMERGE or the concerned intermediary for any information on this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

**Authority for the Present Issue**

The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on July 2, 2018 and by Special Resolution passed by the shareholders at an Extra Ordinary General Meeting held on July 10, 2018.

**Ranking of Equity Shares**

The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Obligations and Disclosure Requirements Regulations and recommended by the Board of Directors and 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 dividends in cash and as per provisions of the Companies Act, 2013. For further details, please see the chapter titled "Dividend Policy" beginning on page 169 of this Prospectus.

**Face Value and Issue Price**

The Equity Shares having a face value of Rs. 10/- each are being issued in terms of this Prospectus at the price of Rs. 65/- per Equity Share. The Issue Price is determined by our Company in consultation

with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page 77 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Rights of the Equity Shareholders**

Subject to applicable laws, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports & notice(s) to members
3. Right to attend general meetings and exercise voting powers, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
7. Right of free transferability, subject to applicable law, including any RBI Rules and Regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SEBI (LODR) Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer section titled "Main Provisions of Articles of Association" beginning on page 286 of the Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

In terms of the provision of the Depositories Act, 1996 (22 of 1996) & the regulations made under and Section 29 (1) of the Companies Act, 2013 the Equity Shares of our Company shall be allotted only in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialised form only.

The trading of the Equity Shares will happen be in dematerialised form and in the minimum contract size of 2,000 Equity Shares and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through the Issue will be done in multiples of 2,000 Equity Shares subject to a minimum allotment of 2,000 Equity Shares to the successful Applicants.

### **Issue Programme**

ISSUE OPENS ON	September 17, 2018
ISSUE CLOSES ON	September 21, 2018

### **Joint Holders**

Where 2 or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint holders with benefits of survivorship.

### Nomination Facility to Investors

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 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 the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale 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 or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Applicant would prevail. If the Applicants require changing their nomination, they are requested to inform their respective depository participant.**

### Minimum Subscription

In accordance with Regulation 106P (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvment of Underwriters within 60 (Sixty) 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 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under the Companies Act.

Further, in accordance with Regulation 106R of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

### Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 2,000 equity shares and in multiples of 2,000. However, the Market Maker shall buy the entire shareholding of a shareholder in 1 (one) lot, where value of such shareholding is less than Rs. 1,00,000/- i.e. the minimum contract size allowed for trading on NSE EMERGE.



**Application by Eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs.**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs/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, FPIs 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 on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the pre-Issue Equity Shares and Promoter's, minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 53 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. For further details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 286 of the Prospectus.

**Subscription in Demat mode only**

Investors should note that allotment of Equity Shares to all successful Applicants will only be in the dematerialised 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 dematerialised segment of the Stock Exchange.

**New financial instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

**Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid-up Capital of our 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 favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of our company is more than Rs. 10 Crores and up to Rs. 25 Crores, our Company may still apply for migration to the Main Board if our Company fulfils the eligible criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The Equity Shares offered through this Issue are proposed to be listed on the SME Exchange of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange of NSE for a minimum period of 3 (Three) years from the date of listing on the SME Exchange of NSE or for such period as may be applicable. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 50 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to Rs. 20 Crore	25%	24%
Rs.20 Crore to Rs. 50 Crore	20%	19%
Rs. 50 Crore to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

Further, the Market Maker shall give 2 (Two) way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes. 2 (Two) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the SME Exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

## 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 does not exceed Rs. 10 Crores, shall issue/offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE).

The Issue is being made by way of Fixed Price method.

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	37,80,000 Equity Shares	2,00,000 Equity Shares
Percentage of post-Issue Share Capital	25.00%	1.32%
Basis of Allotment	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	
Minimum Application Size	<b>For Other than Retail Individual Investors:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individual Investors:</b> 2,000 Equity Shares	2,00,000 Equity Shares
Maximum Application Size	<b>For Other than Retail Individual Investors:</b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b>For Retail Individual Investors:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-	2,00,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized form	
Trading Lot	2,000 Shares	2,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

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

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

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to Investors Other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

#### Issue Programme

ISSUE OPENS ON	September 17, 2018
ISSUE CLOSES ON	September 21, 2018

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by Lead Manager to NSE within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof. If our Company, in consultation with LM, withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company.

The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company, in consultation with LM, withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with a fresh Issue of Equity Shares of our Company, our Company will file a fresh draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus after it is filed with the ROC.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “**General Information Document**”) included below under section “**Part B-General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to 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 is also 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 the 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 the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications 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 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.

### 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 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. 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, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/01/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non- repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA )	Blue

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have 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 NSE i.e. <https://www.nseindia.com/emerge/>

### **WHO CAN APPLY?**

In addition to the category of Applicants set forth under “*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. 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 and applicable law.

### **PARTICIPATION BY ASSOCIATES / AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs APPLYING ON NON REPATRIATION BASIS**

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, partnership firms or their nominees. In case of HUFs, 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. Eligible NRIs applying on a non-repatriation basis may make payments

by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

#### **APPLICATIONS BY ELIGIBLE NRIs/FPIs ON REPATRIATION BASIS**

Application Forms have been made available for eligible NRIs at our Registered Office and at the registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the 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 NRIs 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.

**As per the current regulations, the following restrictions are applicable for investments by FPIs:**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as "Infrastructure Finance Companies" (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - I. Any transactions in derivatives on a recognized stock exchange;
    - II. Short selling transactions in accordance with the framework specified by the Board;
    - III. Any transaction in securities pursuant to an agreement entered into with the merchant

banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

IV. Any other transaction specified by the Board.

- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
  - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - viii. Any other transaction specified by the Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

- 4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
- 5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- 6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b) Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATIONS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to 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.

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.

#### **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 this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **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, our Company reserves the right to reject any Application without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the IRDA Investment Regulations), are broadly set forth below:

1. *Equity shares of a company:* The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

*The entire group of the investee company:* the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and

2. *The industry sector in which the investee company operates:* 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the 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 thereof.

With respect to applications by VCFs, FVCIs, and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with 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.



In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the 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 reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority 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 reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 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 reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crores (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crores, a certified copy of 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 any Application in whole or in part, in either case, without assigning any reason thereof.

#### **APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crores, a certified copy of 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 any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).

5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms 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.
6. Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
7. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be —suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

## METHOD AND PROCESS OF APPLICATIONS

1. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary
  - i) an SCSB, with whom the bank account to be blocked, is maintained
  - ii) a syndicate member (or sub-syndicate member)
  - iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (broker)
  - iv) a depository participant (DP) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
  - v) a registrar to an issue and share transfer agent (RTA) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.
4. The Applicant cannot apply on another Application Form after one Application Form have been submitted by him/her to Application Collecting intermediaries. Submission of a second Application Form to either the same or to another Application Collecting Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of



Equity Shares in this Issue.

5. The 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 and post that blocking of funds will be done by as given below

For applications submitted by investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
7. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
8. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue

## TERMS OF PAYMENT AND PAYMENT MECHANISM

### Terms of Payment

The entire Issue price of Rs. 65/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment mechanism for Applicants**

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their

authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. 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 registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records.

In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

#### **ALLOCATION OF EQUITY SHARES**

1. The Issue is being made through the Fixed Price Process wherein 2,00,000 Equity Shares shall be reserved for Market Maker. 37,80,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated September 5, 2018
- b) A copy of the Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation.

#### **ISSUANCE OF ALLOTMENT ADVICE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such 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 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 you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that you have requested for and receive a acknowledgement;
- All applicants should submit their applications through the ASBA process only.

*Dont's:*

- 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 Banker to 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 Application collecting intermediaries.
- Do not fill in 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.
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant

Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

**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 should bear the stamp of the Application Collecting Intermediaries. Application Forms which do not bear the stamp of the Application Collecting Intermediaries will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 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 Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com) With a view to broad base the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Nos, Client ID and DP ID 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 as entered into the Stock Exchange online system, 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 Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. 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.

#### **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries. 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.

#### **COMMUNICATIONS**

All 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 Application Collecting Intermediary where the Application was submitted thereof 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, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.



The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge, SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 4(four) and 6 (Six) days of the Issue Closing Date respectively;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

### **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.”*

### **UNDERTAKINGS BY THE COMPANY**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed on sixth day from issue closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.

### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:



1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Lead manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Agreement dated August 9, 2018 among NSDL, the Company and the Registrar to the Issue;
- Agreement dated August 14, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE01EO01010.

## PART B

## GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

## SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

## SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

## 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees

shall issue its specified securities in accordance with provisions of this Chapter.

- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations.

## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations:

- In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- The issuer shall have Net Tangible assets of atleast Rs. 3 Crore as per the latest audited financial results.
- The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 Crore as per the latest audited financial results.
- The Issuer should have a track record of distributable profits in terms of Section 123 of Companies Act 2013 for two out of immediately preceding three financial years or it should have net worth of at least Rs. 5 Crores.
- The Post Issue paid up capital of the Issuer shall be at least Rs. 3 Crore. The Post Issue paid up capital of our Company will be Rs. 15.12 Cr
- The Issuer shall mandatorily facilitate trading in demat securities.
- The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
- No petition for winding up is admitted by a court or a liquidator has not been appointed of

competent jurisdiction against the Company

- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website
- (n) Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 2,500 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### 2.3 Types of public issues – fixed price issues and book built issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### 2.4 Issue period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### 2.5 Migration to main board

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the

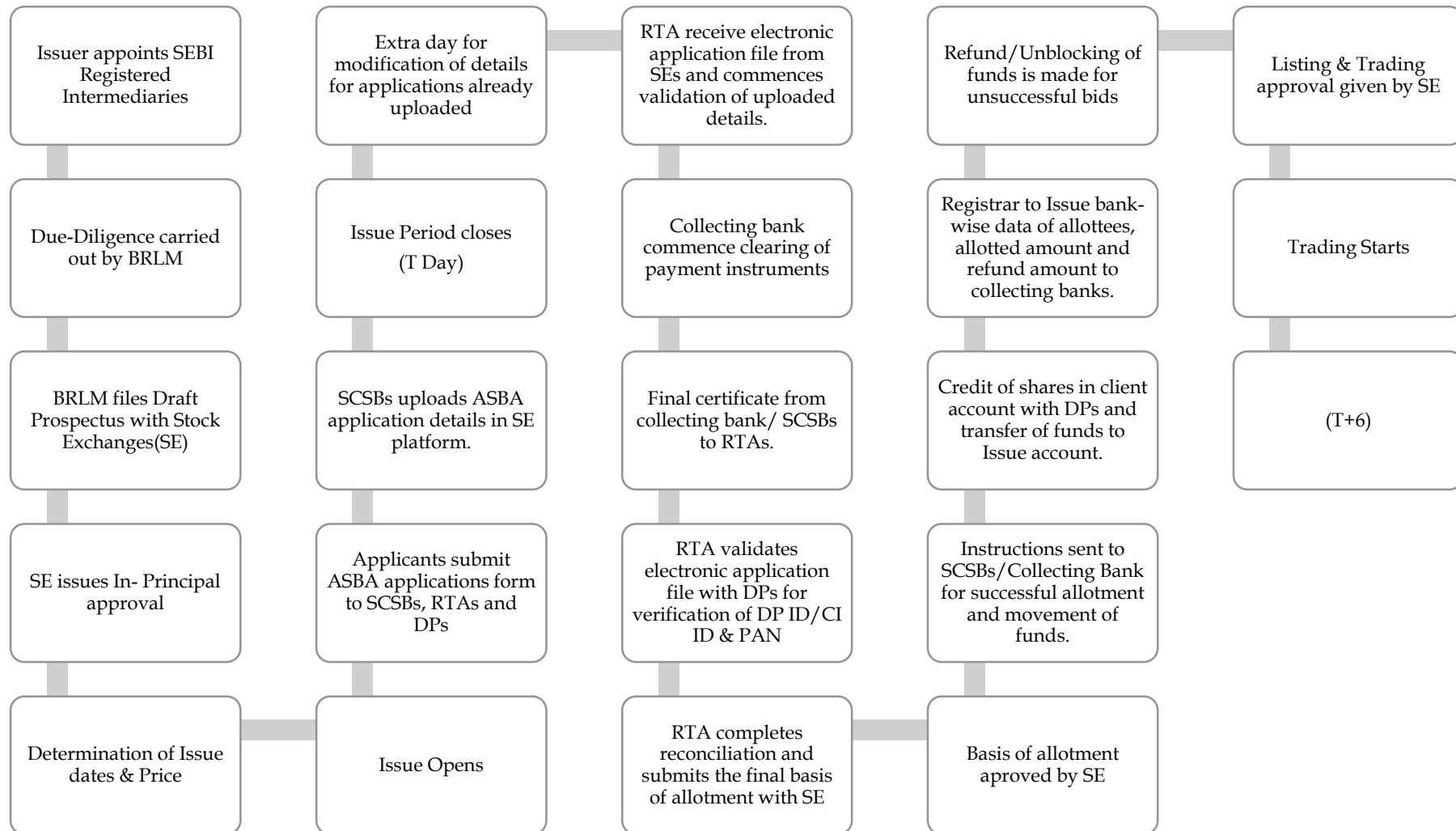
shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **2.6 Flowchart of timelines**

A flow chart of process flow in Fixed Price Issues is as follows



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Applicant should check whether it is eligible to apply /under applicable law.*

Furthermore, certain categories of Applicants, such as NRIs, FIIs, QFIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a 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 may be considered at par with Applications 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;
- Mutual Funds registered with SEBI;
- 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;
- 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);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- State Industrial Development Corporations;
- 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;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;



- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

#### SECTION 4: APPLYING IN THE ISSUE

Fixed Price Issue: Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the or Designated Branches of the SCSBs, at the registered office of the Issuer and at the registered office of LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Applicants applying in the reserved category	Not Applicable

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE ISSUE)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA** **XYZ LIMITED - PUBLIC ISSUE - R** **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS**

**Logo** To, The Board of Directors, XYZ Limited **BOOK BUILDING ISSUE** Bid cum Application Form No. \_\_\_\_\_

**SYNDICATE MEMBER'S STAMP & CODE** **BROKER'S/AGENT'S STAMP & CODE** **1. NAME & CONTACT DETAILS of Sole / First Applicant**

**ESCROW BANK / SCSB BRANCH STAMP & CODE** **SUB-BROKER'S/SUB-AGENT'S STAMP & CODE** Mr. / Ms. \_\_\_\_\_

**BANK BRANCH SERIAL NO.** **REGISTRAR'S / SCSB SERIAL NO.** Address \_\_\_\_\_

**2. PAN OF SOLE / FIRST APPLICANT** \_\_\_\_\_

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL **6. Investor Status**

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")** **5. Category**

Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				"Cut-off" (Please tick)
		Bid Price	Discount, if any	Net Price		
Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>	
(OR) Option 2					<input type="checkbox"/>	
(OR) Option 3					<input type="checkbox"/>	

☐ Retail Individual ☐ Non-Institutional ☐ QIB

**7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)** **PAYMENT OPTIONS** ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

☐ (A) CHEQUE/ DEMAND DRAFT (DD) ☐ (B) ASBA

Cheque/DD No. \_\_\_\_\_ Dated D / M / Y Bank A/c No. \_\_\_\_\_

Drawn on (Bank Name & Branch) \_\_\_\_\_ Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

**8A. SIGNATURE OF SOLE / FIRST APPLICANT** **8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)**  
(AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1) \_\_\_\_\_  
2) \_\_\_\_\_  
3) \_\_\_\_\_

Date : \_\_\_\_\_, 2011

**BROKER'S / SCSB BRANCH'S STAMP**  
(Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

**XYZ LIMITED** **Acknowledgement Slip for Syndicate Member / SCSB** Bid cum Application Form No. \_\_\_\_\_

DPID / CLID \_\_\_\_\_ PAN \_\_\_\_\_

Amount Paid (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_ Stamp & Signature of Banker \_\_\_\_\_

Cheque / DD/ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

TEAR HERE

**XYZ LIMITED** **Acknowledgement Slip for Bidder**

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
Cheque / DD/ASBA Bank A/c No.			
Bank & Branch			

Stamp & Signature of Syndicate Member / SCSB \_\_\_\_\_ Name of Sole / First Applicant \_\_\_\_\_

Bid cum Application Form No. \_\_\_\_\_

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		<b>XYZ LIMITED - PUBLIC ISSUE - NR</b>		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS	
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address _____	
				Email _____	
				Tel. No (with STD code) / Mobile _____	
				2. PAN OF SOLE / FIRST APPLICANT	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis)	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				<input type="checkbox"/> FII Foreign Institutional Investor	
				<input type="checkbox"/> FVCI Foreign Venture Capital Investor	
				<input type="checkbox"/> FIISA FI Sub Account Corporate / Individual	
				<input type="checkbox"/> OTH Others (Please Specify)	
5. Category					
<input type="checkbox"/> Retail Individual					
<input type="checkbox"/> Non-Institutional					
<input type="checkbox"/> OIB					
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) <span style="float: right;">PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment</span>					
Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)					
Cheque/DD No. _____ Dated _____					
Drawn on (Bank Name & Branch) _____					
<input type="checkbox"/> (B) ASBA					
Bank A/c No. _____					
Bank Name & Branch _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for filling up the Bid Cum Application Form given overleaf.					
8A. SIGNATURE OF SOLE / FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue			
		1) _____			
		2) _____			
		3) _____			
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED		Stamp & Signature of Syndicate Member / SCSB		Name of Sole / First Applicant	
No. of Equity Shares					
Bid Price					
Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No. _____	

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**Any person who:**

- **makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or**
- **makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- **otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,**

**Shall be liable for action under section 447 of the said Act."**

- (d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT

- (a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market

irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (—PAN Exempted Applicants). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in —active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (c) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (d) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as —Inactive demat accounts and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice or for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- (a) The Issuer may mention Price in the Prospectus. However a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size
  - i. For Retail Individual Applicants



The Application must be for a minimum of 6,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 6,000 Equity Shares.

ii. 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 6,000 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 Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (e) The following applications may not be treated as multiple Applications:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 FIELD 7: PAYMENT DETAILS

- (a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) 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.

#### 4.1.8 Payment instructions for Applicants

- (a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediary.
- (b) Applicants should specify the Bank Account number in the Application Form.



- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one Bank Account, a maximum of five Application Forms can be submitted.
- (f) ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. In case applicant applying through Application Collecting Intermediary other than SCSB, after verification and upload, the Application Collecting Intermediary shall send to SCSB for blocking of fund
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/Partial/Non Allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.

- (a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.

- ii. In case of ASBA applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- (b) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their applications till closure of the Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

<b>COMMON BID REVISION FORM FOR ASBA / NON-ASBA</b>		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>	
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018	
				Bid cum Application Form No. _____	
SYNDICATE MEMBERS STAMP & CODE		BROKER'S / AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCSSB BRANCH STAMP & CODE		SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____ Tel. No (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSSB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT	
				_____	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
<b>PLEASE CHANGE MY BID</b>					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)					
PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA					
Cheque/DD No. _____ Dated <u>DD</u> / <u>MM</u> / <u>YY</u>			Bank A/c No. _____		
Drawn on (Bank Name & Branch) _____			Bank Name & Branch _____		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for filling up the Bid revision Form given overleaf.					
7A. SIGNATURE OF SOLE / JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCSSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCSSB to do all acts as are necessary to make the Application in the Issue			
		1) _____ 2) _____ 3) _____			
TEAR HERE					
<b>XYZ LIMITED BID REVISION FORM</b>		<b>Acknowledgement Slip for Syndicate Member / SCSSB</b>		Bid cum Application Form No. _____	
DPID / CLID _____		PAN _____			
Additional Amount Paid (₹) _____		Bank & Branch _____		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No. _____					
Received from Mr./Ms. _____					
Telephone / Mobile _____		Email _____			
TEAR HERE					
<b>XYZ LIMITED BID REVISION FORM</b>		Option 1 Option 2 Option 3		Name of Sole / First Applicant	
No. of Equity Shares				Acknowledgement of Syndicate Member / SCSSB	
Bid Price					
Additional Amount Paid (₹)				Acknowledgement Slip for Bidder	
Cheque / DD/ASBA Bank A/c No. _____				Bid cum Application Form No. _____	
Bank & Branch _____					

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 FIELD 4 & 5: APPLICATION REVISION „FROM“ AND „TO“**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed 2,00,000 due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB or Registered Brokers or Registered RTA/DP to block the additional Application Amount, if any.
  - (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
  - (b) In case of applications submitted by ASBA Applicant, Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.2.5 SUBMISSION OF REVISION FORM/ APPLICATION FORM**

##### **4.3.1 Applicants may submit completed application form/ Revision Form in the following manner:-**

<b>Mode of application</b>	<b>Submission of Application Form</b>
All Investors' application	To the Application Collecting Intermediaries as mentioned in the Prospectus / Application Form

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 APPLICANTS MAY NOTE THAT THERE IS NO BID CUM APPLICATION FORM IN A FIXED PRICE ISSUE**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application

in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only (—ASBA Account). The Application

Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

## 5.2 GROUNDS OF REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- 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 6,000;
- 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/ cheque/ demand draft/ pay order;
- 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 Regulation S or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/First Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications 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 Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date , unless the extended time is permitted by NSE
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**



## SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being Fixed Price Issue, this section is not applicable for this Issue.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

### 7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) 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).
- (c) For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 6,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 6,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 6,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
  - i. As per Regulation 43(4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and

- other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
- iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE Emerge.

The Executive Director / Managing Director / Authorised Person of NSE Emerge - 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.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.** Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred by SCSB's to the Public Issue Account on the Designated Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 5 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 5 Working Days of the Issue Closing Date.

## 8.2 GROUNDS FOR REFUND

### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### 8.2.2 MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## 8.3 MODE OF REFUND

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### 8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

## 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/ Applicants
Allottee	Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.
Anchor Investor Portion	Up to 30% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Collecting Intermediaries	<ul style="list-style-type: none"> <li>i) an SCSB, with whom the bank account to be blocked, is maintained</li> <li>ii) a syndicate member (or sub-syndicate member) if any</li> <li>iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker") if any</li> <li>iv) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>v) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ul>
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
ASBA Applicant	Prospective / Applicants in the Issue who apply through ASBA
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).

Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account may be opened, and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes an application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to an Applicant should be construed to mean an Bidder/ Applicant
Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the draft Prospectus/ Prospectus and the Bid Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extant notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/ Applicants including the Bidder/ Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details

Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on- <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful
Designated Stock Exchange	The designated stock exchange as disclosed in the draft Prospectus / Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft Prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details / Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to



	make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue / RTI	The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000/-.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000/-.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be



	allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulations
Stock Exchanges/SE	The stock exchanges as disclosed in the draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Refer to definition of Broker Centres
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement entered into between the Underwriters and our Company
Working Day	All trading days of stock exchanges excluding Sundays and bank holidays

## SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule H of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association

Sr. No	Particulars	
1.	No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F not Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "Applicable Law" means the Act, and as appropriate ,includes any listing agreement, regulations, rules, bye-law, guideline, policy, notification, clarification, mandatory standards or any interpretation having the force of law or any statutory amendment thereof, and other regulations as applicable to a company from time to time.	<b>Applicable Law</b>
	(c) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(d) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(e) "Board of Directors" or "Board" means the collective body of the directors of the Company.	"Board of Directors" or "Board"
	(f) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>

Sr. No	Particulars	
	(g) “The Company” shall mean SPECTRUM ELECTRICAL COMPONENT LIMITED	<b>Company</b>
	(h) “Depositories Act” shall mean the Depositories Act, 1996 and includes any statutory modification thereto from time to time.	<b>Depositories Act</b>
	(i) “Depository” means a company formed and registered under the relevant applicable law and which has been granted a Certificate of Registration to act as a Depository under the Securities and Exchange Board of India Act, 1992 and as defined in the Depositories Act.	<b>Depository</b>
	(j) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(k) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(l) “Listing Agreement” means the agreement entered into with the stock exchanges in India, on which a company’s shares are being listed.	<b>Listing Agreement</b>
	(m) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(n) "In Writing" and “Written” includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(o) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(p) “Meeting” or “General Meeting” means a meeting of members.	<b>Meeting or General Meeting</b>
	(q) "Month" means a calendar month.	<b>Month</b>
	(r) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(s) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(t) “National Holiday” means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>

Sr. No	Particulars	
	(u) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(v) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(w) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(x) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(y) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(z) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(aa) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(bb) "SEBI" means Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992	<b>SEBI</b>
	(cc) "SEBI Regulations" means Securities & Exchange Board of India Act 1992 and the Regulations and Guidelines made thereunder	<b>SEBI Regulations</b>
	(dd) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(ee) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(ff) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(gg) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(hh) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	

Sr. No	Particulars	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
4.	Subject to the Provisions of the Act, the Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:  (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;  (b) No such Shares shall be redeemed unless they are fully paid;	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

Sr. No	Particulars	
	<p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.</p>	<b>Issue of Sweat Equity Shares</b>
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the</p>	<b>ESOP</b>

Sr. No	Particulars	
	provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	<b>Buy Back of shares</b>
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
16.	Subject to compliance with applicable law and provision of the Act and rules framed there under the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed there under the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>



Sr. No	Particulars	
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Board.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed there under.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Board may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time	<b>Liability of Members.</b>

Sr. No	Particulars	
	or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or by a director and a company secretary or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and</p>	<b>Share Certificates.</b>

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	<p>the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty.</p> <p>The Company shall comply with the provisions of Section 39 and Section 46 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>
30.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p><b>The first named joint holder deemed Sole holder.</b></p>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p><b>Maximum number of joint holders.</b></p>
31.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto,</p>	<p><b>Company not bound to recognise any interest in share other than that of registered holders.</b></p>

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	in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.  (2) A call may be revoked or postponed at the discretion of the Board.  (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling	<b>Calls on uniform basis.</b>

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	under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>

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44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	<b>Company to have Lien on shares.</b>
46.	<p>For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Board or such person(s) authorised by</p>	<b>As to enforcing lien by sale.</b>



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	Board shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	Application of proceeds of sale.
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	If call or installment not paid, notice maybe given.
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Board shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.  The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	Terms of notice.
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	On default of payment, shares to be forfeited.
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	Notice of forfeiture to a Member



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52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>

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59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61.	<p>(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p>	<b>Execution of the instrument of shares.</b>
62.	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p>	<b>Transfer Form.</b>
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>

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64.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register –</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>	<b>Board may refuse to register transfer.</b>
65.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	<b>No fee on transfer.</b>
67.	<p>The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>	<b>Closure of Register of Members or debentureholder or other security holders..</b>
68.	<p>The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.</p>	<b>Custody of transfer Deeds.</b>
69.	<p>Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p>	<b>Application for transfer of partly paid shares.</b>
70.	<p>For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>	<b>Notice to transferee.</b>
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole</p>	<b>Recognition of legal representative.</b>

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	<p>holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
72.	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	<b>Titles of Shares of deceased Member</b>
73.	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<b>Notice of application when to be given</b>
74.	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall</p>	<b>Registration of persons entitled to share otherwise than by transfer.(transmission clause).</b>

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	not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
80.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the</p>	<b>Nomination</b>

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	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
86.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	<b>Deposit of share warrants</b>
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
89.	Subject to the provisions of the Act, the Company may, by ordinary resolution in General Meeting.	<b>Conversion of shares into stock or reconversion.</b>

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	a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock.
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	Regulations.
	<b>BORROWING POWERS</b>	
93.	<p>Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit</p> <p>or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company, free reserves (that is to say reserves not set apart for any specified purpose) and Securities Premium.</p>	Power to borrow.
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Issue of discount etc. or with special privileges.

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95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
	<b>MEETINGS OF MEMBERS</b>	

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102.	<p>The Chairperson or Chairman, if any, of the Board shall preside as Chairperson at every general meeting of the Company and in his absence any other Director of the Company or such other person as may be nominated /appointed by the Chairman and/or Board of Directors</p> <p>The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.</p>	<b>“Chairperson” or “Chairman” of General Meeting</b>
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman’s casting vote.</b>
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums	<b>Members in arrears not to vote.</b>

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	presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.  A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.	<b>Votes of joint members.</b>



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	b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
120.	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	<b>Appointment of a Proxy.</b>



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	(d) Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later	<b>Notice of resignation</b>
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
127.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>

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130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
131.	<p>(a) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director of the Company may be paid a remuneration either by way of monthly or by way of commission, if the company by resolution authorise such payment.</p> <p>(b) Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.</p>	<b>Remuneration to Directors</b>  <b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
133.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Meetings of Directors.</b>
134.	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	<b>Chairperson</b>
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	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	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>

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	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.	
137.	Subject to the provisions of the Act and SEBI Regulations, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Board may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
142.	In accordance with the provisions of the act, person(s) whose office is liable to determination by retirement of directors by rotation ("the Rotational Directors"). A retiring Director shall be eligible for re-election.	<b>Retirement and Rotation of directors.</b>

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	<p>Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.</p> <p>Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.</p>	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
<b>143.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
<b>144.</b>	Subject to the provision of the Act and Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>

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	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company.
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company.
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency



Sr. No	Particulars	
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security byway of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this	<b>Transfer to Reserve Funds.</b>



Sr. No	Particulars	
	<p>Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>To appoint and remove officers and other employees.</b></p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p><b>To appoint Attorneys.</b></p>

Sr. No	Particulars	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.  (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or	

Sr. No	Particulars	
	<p>contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	

Sr. No	Particulars	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Whole time Directors.</b>
146.	Subject to the provisions of the Act, the Rules, Applicable Law including the provisions of the SEBI Regulations, the remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole time Director.</b>
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>

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	<p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
148.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
150.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or	<b>Deeds how executed.</b>

Sr. No	Particulars	
	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 Reserves</b>	
<b>151.</b>	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> <p>(4) The Company shall declare and disclose dividend on per share basis only.</p>	<b>Division of profits.</b>
<b>152.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
<b>153.</b>	<p>a) 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, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
<b>154.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
<b>155.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction	<b>Debts may be deducted.</b>



Sr. No	Particulars	
	of the debts, liabilities or engagements in respect of which the lien exists.	
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles .</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
163.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	



Sr. No	Particulars	
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
166.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the</p>	<b>Fractional Certificates.</b>

Sr. No	Particulars	
	<p>amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
168.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other	<b>Authentication of documents and proceedings.</b>

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	Authorised Officer of the Company and need not be under the Common Seal of the Company.	
	<b>WINDING UP</b>	
172.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder –</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
173.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity.</b>
174.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or</p>	<b>Not responsible for acts of others</b>

Sr. No	Particulars	
	for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	<b>SECURITY</b>	
175.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

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**SECTION IX: OTHER INFORMATION**


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**MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two (2) years before the date of this 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, to be delivered to the Registrar of Companies, Mumbai, Maharashtra, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at Plot No. V -195, MIDC Area, Ajanta Road, Jalgaon- 425 003, Maharashtra from 11.00 a.m. to 5.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date.

**Material Contracts**

1. Agreement dated August 9, 2018 executed between our Company and the LM.
2. Memorandum of Understanding dated August 14, 2018 executed among our Company and the Registrar to the Issue.
3. Market Making Agreement dated September 5, 2018 among our Company, the Lead Manager and the Market Maker.
4. Underwriting Agreement dated September 5, 2018 among our Company and the Underwriter
5. Tripartite Agreement dated August 9, 2018 executed amongst NSDL, our Company and the Registrar to the Issue.
6. Tripartite Agreement dated August 14, 2018 executed amongst CDSL, our Company and the Registrar to the Issue.

**Material Documents**

1. Certificate of Incorporation of our Company dated August 12, 2008 upon incorporation as Spectrum Polytech Private Limited
2. Certificate of Incorporation dated March 11, 2014 issued consequent upon change of name from Spectrum Polytech Private Limited to Spectrum Electrical Component Private Limited.
3. Certificate of Incorporation dated June 14, 2018 issued consequent upon change of name from Spectrum Electrical Component Private Limited to Spectrum Electrical Industries Private Limited
4. Certificate of Incorporation dated June 20, 2018 issued consequent upon conversion to Public Limited Company.
5. Business Transfer Agreements dated April 1, 2017 for transfer of business under group entities to our Company.
6. Resolution of Board of Directors dated July 2, 2018 in relation to the Issue.
7. Shareholders Resolution dated July 10, 2018 in relation to the Issue
8. Our Company 's Memorandum of Association and Articles of Association as amended.
9. Copies of Audited Financial Statements of our Company for financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
10. Peer Review Auditors Report dated August 6, 2018 on Restated Financial Statements of our Company financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
11. Copy of the Statement of Tax Benefits dated August 6, 2018 from the Statutory Auditors of our Company.
12. Consents of the LM, Registrar to the Issue, Bankers to the Company, Bankers to the Issue, Market Maker, Underwriter, Promoters, Directors of our Company as on date in their capacity as Managing Director/Whole-time Director/Non-Executive Independent Director, Chief Financial Officer, Company Secretary & Compliance Officer of our Company.
13. Due Diligence Certificate dated August 13, 2018 from Lead Manager filed with National Stock Exchange of India Limited along with filing of draft Prospectus

14. Copy letter dated June 7, 2018 issued by Axis Bank Limited sanctioning various credit facilities to our Company
15. Consent letter dated August 8, 2018 of M/s. HMA & Associates, Chartered Accountants, Peer Review Auditor to include their names as experts in relation to their report dated August 8, 2018 on the Restated Financial Statements included in this Prospectus
16. Consent letter dated August 6, 2018 of M/s. S.D. Chopde & Co., Chartered Accountants, Statutory Auditor to include their names as experts in relation to the Statement of Tax Benefits dated August 6, 2018, included in this Prospectus.
17. In-principal approval letter dated August 31, 2018 issued by National Stock Exchange of India Limited, to use the name of NSE in the Prospectus for Listing of Equity Shares of our Company on NSE EMERGE

## DECLARATION

We, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines and regulations issued, as the case may be. We further certify that all the disclosures and statements made in this Prospectus are true and correct.

Signed by Directors of our Company

Sd/-  
Deepak Suresh Chaudhari

Sd/-  
Sanjay Padmakar Pawde

Sd/-  
Bharti Deepak Chaudhari

Sd/-  
Narendra Daulatrao Wagh

Sd/-  
Devendra Sudhakar Rane

Sd/-  
Subhash Narayan Patil

Sd/-  
Chandrakant Bhaskar Rane

Sd/-  
Saurabh Shrikant Malpani

CS & Compliance Officer

Sd/-  
Ms. Sarita Zamwar

Chief Financial Officer

Sd/-  
Pankaj Rote

Date : September 6, 2018

Place : Jalgaon